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CONTENTS OF REEL 190

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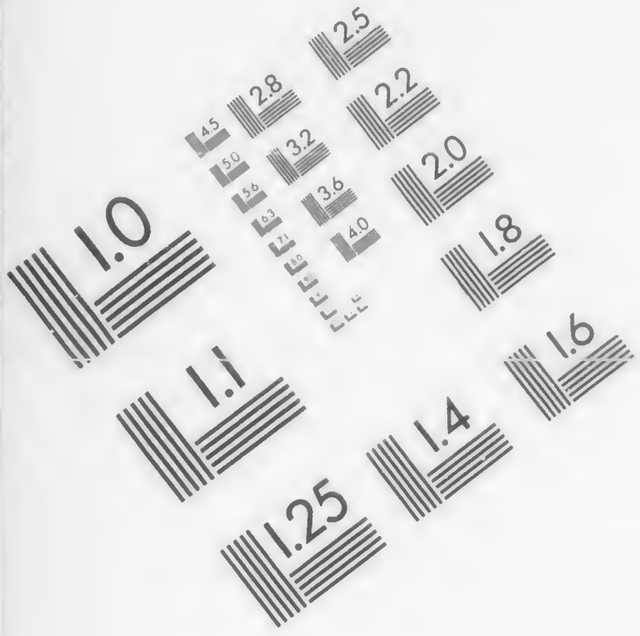

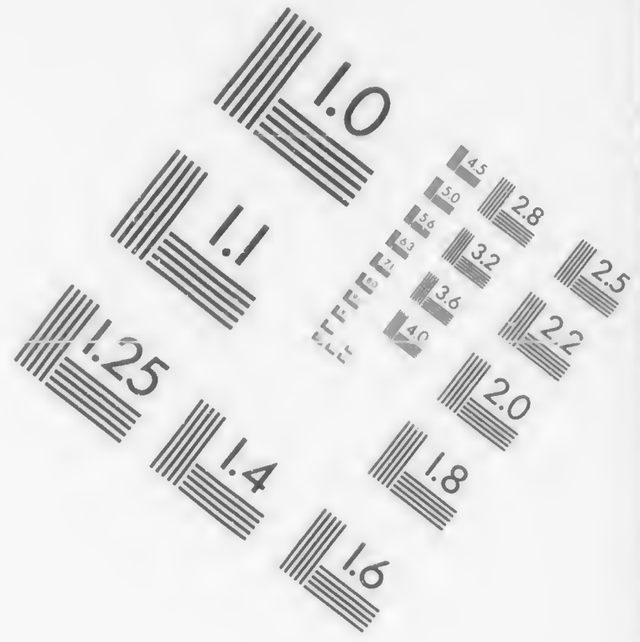

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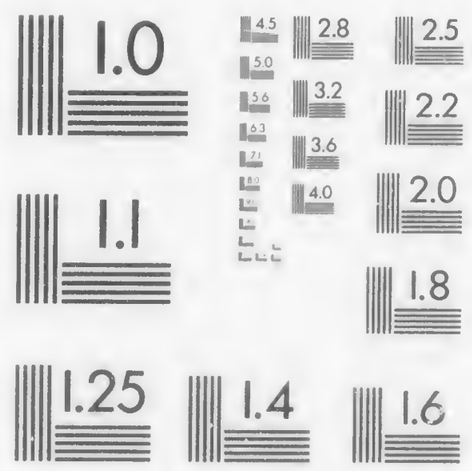

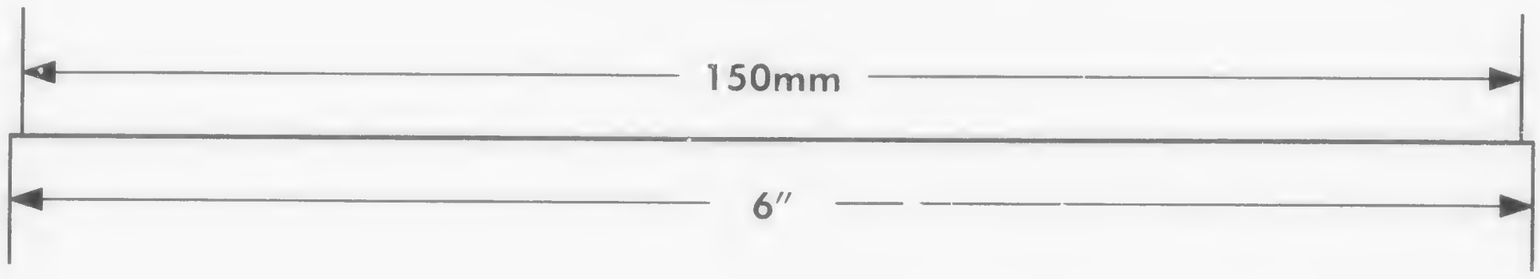

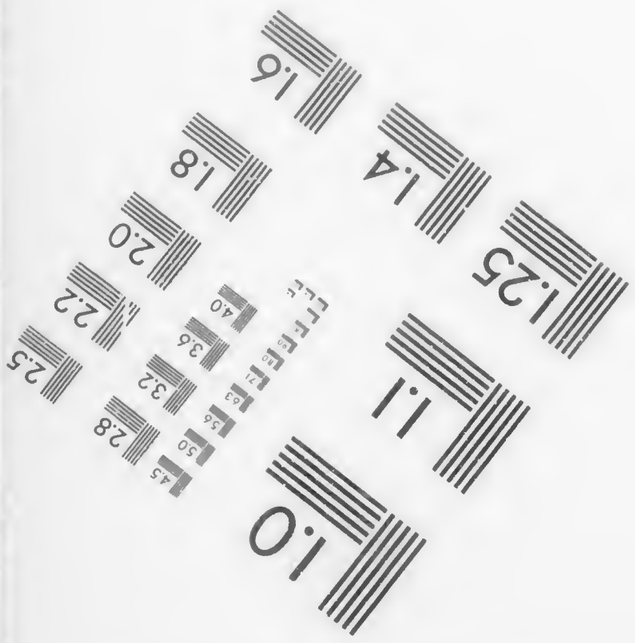

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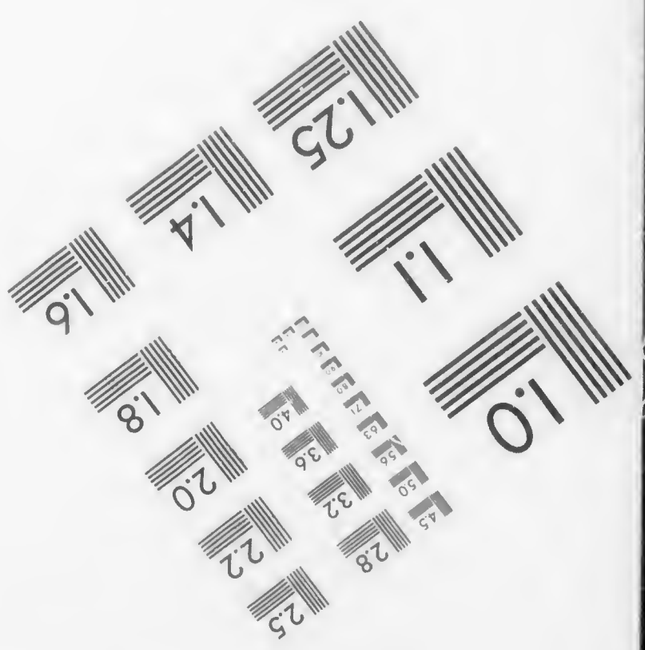

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TOBACCO WORLD

ESTABLISHED
1881

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FIGURES SHOW BIGNESS OF TOBACCO INDUSTRY

Some idea of the immensity of the tobacco industry and trade may be had from the astronomical figures required to measure a year's withdrawals of tobacco products for consumption.

In the year 1939, for instance, it is estimated that there were nearly 180 billion such withdrawals, in individual units of cigars of all classes, little cigars, cigarettes, large cigarettes, and in pounds of snuff, chewing and smoking tobacco.

Pipe Smokers...

try a MILDER COOLER SMOKE

GRANGER

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HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 JANUARY, 1940 No. 1

WHAT better time than the beginning of a new Year to reprint the famous "Penalty of Leadership" advertisement, written for the Cadillac Motor Car Company a quarter of a century ago. The company itself has republished the copy a number of times in national magazines of large circulation, and has given permission to reprint to a varied assortment of manufacturing companies, business and service organizations, professional and business men. It has been translated into many foreign languages, and it is reported now to have had a wider circulation than any other printed words, with the exception of the Bible and Elbert Hubbard's "Message to Garcia." Present Cadillac men find it in the most unexpected places, one of them having heard of its being displayed in a celebrated bagnio. It has been swiped by many who did not go to the trouble to credit its source, its most notable use in this respect being in the Anniversary Number of *Variety* a few years ago, when Sally Rand ran it as her own under the heading "Just a Thought," for which she was reprimanded by Walter Winchell in his daily newspaper column. So, with that foreword, and with the information that this office has a few copies suitable for framing, to which the first readers who request them are welcome—without charge, of course—here it is:

▲

IN EVERY field of human endeavor, he that is first must perpetually live in the white light of publicity. Whether the leadership be vested in a man or in a manufactured product, emulation and envy are ever at work. In art, in literature, in music, in industry, the reward and the punishment are always the same. The reward is widespread recognition; the punishment, fierce denial and detraction. When a man's work becomes a standard for the whole world, it also becomes a target for the shafts of the envious few. If his work be merely mediocre, he will be left severely alone—if he achieve a masterpiece, it will set a million tongues a-wagging. Jealousy does not protrude its forked tongue at the artist who produces a commonplace painting. Whatsoever you write, or paint, or play, or sing, or build, no one will strive to surpass or to slander you, unless your work be stamped with the seal of genius. Long, long after a great work or a good work has been done, those who are disappointed or envious continue to cry out that it cannot be done. Spiteful little voices in the domain of art were raised against our own Whistler as a mountebank, long after the big world had acclaimed him its greatest artistic genius. Multitudes flocked to Bayreuth to worship at the musical shrine of Wagner, while the little group of those whom he had dethroned and displaced argued angrily that he was no musician at all. The little world continued to protest that Fulton could never build a steamboat, while the big world flocked to the river banks to see his boat steam by. The leader is assailed because he is a leader, and the effort to equal him is merely added proof of that leadership. Failing to equal or to excel, the follower seeks to depreciate and to destroy—but only confirms once more the superiority of that which he strives to supplant. There is nothing new in this. It is as old as the world and as old as the human passions—envy, fear, greed, ambition, and the desire to surpass. And it all avails nothing. If the leader truly leads, he remains—the leader. Master-poet, master-painter, master-workman, each in his turn is assailed, and each holds his laurels through the ages. That which is good or great makes itself known, no matter how loud the clamor of denial. That which deserves to live—lives.

▲

SAM, the Salesman, could not have had truly inspirational stuff like that in mind when he complained that he was tired of being considered a Prima Donna just because he makes his living selling things. I'm tired, he said, of being analyzed and vivisected and subdivided; of being "enthused" and "inspired." I'm no laboratory specimen. I don't mind being kidded. I don't mind being razzed. If I couldn't take it, I wouldn't be much good in my business. Education? I eat it up. Sane direction? I follow and appreciate. BUT—damned if I don't resent the idea that every fat guy—below or above the collar-button—has the privilege of telling me "just exactly how I should do my job," when all I get out of the whole talk is the conviction that most of them never have made—and never could make—a living at it. Which is what I am doing.

▲

THEN there's that cigar salesman in the story which, while it is more appropriate for next month, is worth repeating at any time. Smith, we'll call him, was in the midst of an impassioned sales talk with his prospect, Jones. He was going along fine, hammering home every point and countersinking it, when—CRASH!—something dropped with a bang behind Jones's back. Jones turned around to see what had happened, then turned back to Smith and said: "Have you been telling me the truth?" A picture of George Washington had just fallen off the wall. And territory men for manufacturers and jobbers of tobacco products will be interested in the tale of the traveling salesman whose wife decided to raise chickens. When her husband returned from his trip, he asked how the chickens were doing. With pride she answered: "Fine, I have five hens and two roosters." The traveling salesman was puzzled. "I don't understand," he said, "why you have two roosters with only five hens." "Well," his wife explained, "I got an extra rooster so the hens would still have one in case the other took a notion to go on the road."

The TOBACCO WORLD (est. 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; B. S. Phillips, Vice-President; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

A New Year Message

IN A WORLD of shifting scenes, when all the theories and views of even the wisest have been completely shattered, it is indeed expecting too much to have the average mortal appraise the future. For, after all, the ordinary problems confronting the average manufacturer, wholesaler, retailer and salesman become obscure when contrasted with the perplexing problems facing the world in its entirety.

The trade publications, however, following traditional precedent, must issue annual holiday numbers. The "so-called trade leaders" are invited to expound their views on future prospects (said views—if too windy—being relegated to the last pages of the issue because of extra advertising that seems thrust upon the publisher "in time for the big holiday issue").

Anyway, here it goes:

Firstly, the N. A. T. D. is sponsoring and furthering its greatest convention. These nationwide, annual events provide a remarkable setting for the evolvement of solutions of the major problems of the industry. May I, therefore, take the liberty of extending a cordial invitation to any and all members of our great industry who are possessed of constructive ideas to come and present them at Chicago. A pleasant welcome is assured them amidst a setting that is ideal for freedom in expression of their views.

Secondly—the Federal Trade Commission is conducting an investigation of all industries to ascertain the effect of the State Fair Trade Laws and Miller-Tydings Act upon consumers' prices. Those of us in the Tobacco Industry who are anxious to preserve these laws should line up with other industries and thus wage a militant campaign to offset the pressure of the powerful lobby that seeks to nullify these laws.

Thirdly, the cigar industry still is in the "doldrums." So many of us have ideas as to what ought to be done to increase cigar consumption but no one seems to possess the force, courage, persuasive powers or talented leadership to crystallize the divergent theories into even one dynamic plan. Let's not fool ourselves. Nothing will happen unless we make it happen.

Fourthly, the necessity for collective action among industries or divisions of industries is more imperative now than ever before. In recent years, a vast amount of regulatory legislation has been inscribed on our statute books. While a considerable portion of it operates successfully, much of it will be subject to gradual revision. In addition to these, new legislation is being accorded serious study and consideration. Notwithstanding the resentful views of some individuals (and as members of an industry we are not concerned with anybody's political dogma), these laws have passed the academic or theoretical stage, they are now functioning with full force and effect. These laws may be amended, revised upon or repealed through the established legal processes as prescribed by the Constitution. To improve upon them, if there be such need, to impress the attitude of the industry, or several of its divisions, to any new proposals, requires collective action. In industry, that action can only be made possible through a trade association.

While many among us bemoan the duplication of trade associations, local or state, and some of us even consider them "nuisances," all of these contentions are of no avail because concerted action is the paramount rule of the day.

It seems we are nearing the time when the industry should set up a qualified body to function as a clearing house. This body should comprise representatives from each division of production and distribution. It will devolve upon this agency to scrutinize and sift the character, aims and administration of each association and thus determine which of these groups are merely imposters or "dead wood," and which render essential services to their membership and industry.

On the basis of the findings of this neutral group, recommendations will be made as to which merit support.

Sincere wishes for a New Year abundant with health, happiness, and prosperity to all my friends.

Joe Kolodny Keeps 'Em Stepping

THE muffled clatter of typewriting, mimeograph and postage meter machines and that indescribable but noticeable hum caused by humans working at top speed conveys the impression that behind the door of Room 1005 on the tenth floor of 200 Fifth Avenue, New York City, is the telegraph room of one of our larger newspapers. An inspection of the legend on the door reveals that it is the entrance to the executive offices of the National Association of Tobacco Distributors.

Upon entering, the visitor is confronted by the sight of terrific activity. A somewhat wild-eyed individual (the writer) is scribbling away, filling sheets of yellow copy paper as if driven by old Ned himself. Immediately to his rear in the long room are three lovely young ladies operating typewriters, a mimeograph that spills out reams of copy for wholesale distributor consumption from Coast to Coast, and answering calls that come over the switchboard with machine-gun rapidity. And when these charmers have a spare moment, they take turns cranking the postage meter machine that performs the last operation of correspondence from NATD headquarters. All of this feverish output indicates that the young ladies in question do not feel the lack of extra vitamins. They just take their cue from the dynamic executive secretary.

This brings us to the executive secretary's inner sanctum and its occupant. Mr. Kolodny is a most unusual person. He actually believes that an association secretary should show his associates how to get work done. He does not let "George do it" or delegate

(*Continued on Page 8*)

Now for NATD Convention

THE response to date among the individuals comprising the wholesale branch of the industry is is very indicative that the forthcoming 8th annual convention exhibit of the N. A. T. D. at the Palmer House, Chicago, Ill., January 17, 18, 19, 20, 1940, will be an overwhelming success. The national character of this convention is evident by the personnel on the convention board which comprises individuals representing 47 states. This type of cooperation cements in bonds of harmony wholesalers from every section of the country.

The convention-exhibit is illustrative of the ideal setup for everyone engaged in the distributive branch of the industry in that the customer-manufacturer personal relationship is established simultaneously with the cooperative spirit of bringing together the distributors from coast to coast. This accomplishment is but a further reason for the wholesale branch of the industry to attend, thereby signifying 100 per cent. approval of the course set by the 8th annual convention board.

Every year the convention board of the National Association of Tobacco Distributors has introduced one or more spectacular innovations that lift these conclaves out of the category of hackneyed trade meetings. This year's will be no exception.

A unique feature, introduced for the first time at any tobacco trade gathering, will be the "quiz contest" to be staged at the close of one of the business sessions. This "quiz" — conducted, like the radio quiz hit "Information, Please"—will feature two teams one composed wholly of distributors—the other of manufacturers. Thirty questions will be asked. They will pertain only to cigars, cigarettes, tobacco, pipes and candy. Each individual on the winning team will receive an award as will those who submit questions used in the contest.

This "quiz" should "wow" the audience inasmuch as its possibilities are unlimited. With an atmosphere conducive to informality, the impromptu answers of the various contestants should prove very entertaining and educational.

A unique departure will characterize the convention. The convention board will appoint an officer to preside over each session instead of following the routine convention procedure of naming one official to preside over all sessions.

So that everyone in Chicago shall be familiar with CHICAGO TOBACCO WEEK, recently proclaimed by Mayor Edward J. Kelly of Chicago, a handsomely lithographed poster has been prepared by the National Association of Tobacco Distributors. Jobbers and their salesmen, as well as manufacturers and their representatives, are busy affixing these posters on all retail outlets in Chicago and environs.

This striking poster, with a basic color of tobacco brown, carries the legend: "CHICAGO TOBACCO WEEK, JANUARY 14 to 20, 1940. DEDICATED TO THE ENJOYMENT OF SMOKING. SPONSORED BY THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS." The date is lettered in white on a bright red circle in the dead center of the poster.

Fifty thousand of these posters have been distributed from headquarters.

A spirited session, conducive to much benefit in the solving of a vital problem facing all wholesale tobacco distributors—and their retail outlets—will charactrize the topic, "WHAT CAN DISTRIBUTORS DO TO INCREASE THE SALES OF CIGARS SELLING FROM 10¢ AND UP?" This subject is one of several to be discussed at the fifteen round table conferences, which comprise a salient feature programmed for the convention-exhibit.

It is the wholesale distributor's task to educate the retailer, who, in turn, must influence the consumer through logical reasoning why he should try cigars in the upper price brackets. The most effective ways and means of consummating this much-to-be-desired condition is why this discussion not only is of vital importance to those who will attend but, also, to every wholesale tobacco distributor in the United States.

Executives who will take part in the round table conference covering the aforementioned topic are men who have given much time and consideration to evolving a workable solution to this vexing problem.

The convention committee is virtually a "Who's Who" of the distributing branch of the industry. The experience and cooperation offered by the distinguished groups of wholesalers listed below assure the success of the 8th annual event which opens during Chicago Tobacco Week, January 17, 18, 19, 20, 1940.

The executive committee, headed by the skillful and hard-working national secretary, Joseph Kolodny, in the capacity of executive director, has that able New Englander, Henry J. Pinney, of H. E. Shaw Co., Worcester, Mass., as general chairman. J. Renz Edwards, of F. S. Edwards Tobacco Co., Kansas City, Kans., will serve as treasurer. The honorary chairmen: E. Asbury Davis, F. A. Davis & Sons, Baltimore, Md.; Edward Dearstyne, Dearstyne Brothers Tobacco Co., Albany, N. Y.; Edward Grauer, Metropolitan Tobacco Co., New York, N. Y.; Joseph P. Manning, Joseph P. Manning Co., Boston, Mass., and Fred Winter, Winter Cigar Co., Denver, Colo.

Vice-chairmen are Nelson Eberbach, A. B. Cunningham Co., Philadelphia, Pa.; Louis Ehrlich, Rothenberg & Schloss, Kansas City, Mo.; Arnold Glaser, Glaser Bros., San Francisco, Calif.; John Loughran, D. Loughran Co., Inc., Washington, D. C.; Samuel Wasserman, B. Waserman Co., New York, N. Y.; Eli Witt, Eli Witt Cigar & Tobacco Co., Tampa, Fla.

Allan C. Davis, of F. A. Davis & Sons, Baltimore, Md., has been appointed chairman of the Directors' Convention Committee. This group has as members: Charles F. Becker, Chas. F. Becker Cigar Co., Detroit, Mich.; Lloyd K. Black, Goldsmit-Black, Inc., Pittsburgh, Pa.; R. D. Burnett, II, R. D. Burnett Cigar Co., Birmingham, Ala.; Samuel N. Grossman, Chicago Tobacco Co., Chicago, Ill.; Henry Gunst, Cliff Weil Cigar Co., Richmond, Va.; Emil Harms, Peter Hauptmann Tobacco Co., St. Louis, Mo.; E. W. Harris, Hamilton, Harris & Co., Indianapolis, Ind.; Claude Harrison, Ouachita Cigar & Tobacco Co., Monroe, La.; Clarence D. Hunter, Joseph P. Manning Co., Boston, Mass.; C. B. Leidersdorf, Lewis-Leidersdorf Co., Milwaukee, Wisc.; Alvin Linker, Linker Cigar Co., Louisville, Ky.; Sylvian Mirsky, B. Mirsky & Son, San Francisco, Calif,; Moses Packer, Packer Bros., New York, N. Y.; Alex Schwartz, Keilson Cigar Co., Cincinnati, Ohio; Jonathan Vipond, Scranton Tobacco Co., Scranton, Pa.

(*Continued on Page 8*)

Cigarettes and Snuff Gain in November

All Other Tobacco Products Decline; Among Cigars, However, Philippine Withdrawals Increase Over 110%

NOVEMBER of the year just ended was not what you could call a good month for the tobacco industry and trade. Only cigarettes and snuff represented by plus signs in the report of withdrawals for consumption in the supplement to the Tobacco Barometer, issued by the Tobacco Merchants Association of the U. S. Philippine Island cigars, however, ran contrary to the general trend and piled up an increase of 110.77 per cent. in the month.

Cigars of all classes in the U. S. totaled 505,098,447, as compared with 515,858,670, a decline of 10,760,223, or 2.09 per cent. This loss was a little less than the Philippines gain, the P. I total being 20,641,673, as compared with 9,793,594, an increase of 10,848,079, or, as stated above, more than 110 per cent. The loss, however, was not wiped out, as the Puerto Rico withdrawals also dropped, from 418,350 to 194,300, making the decrease for the grand total 0.03 per cent.

Class A cigars in the U. S. went from 440,754,320 down to 429,849,745, a drop of 10,904,575, or 2.47 per cent. It was in this class, of course, that the P. I. gain was most evident. The figure jumped from 9,734,010 to 20,551,310, a rise of 10,817,300. Puerto Rico went from 315,200 to 125,150. The net loss in the class was 0.06 per cent.

Class B was up in the U. S., the 1939 total of 4,844,143 corresponding to 4,484,887, an increase of 359,256, or 8.01 per cent. P. I. dropped from 16,310 to 5207, and P. R. rose from 11,500 to 19,000 making for a net loss of 7.88 for the class total.

Class C in the U. S. declined just a little less than 1 per cent. (0.99), the 1938 figure for the month being 64,866,100 and the 1939 figure 64,221,970. Most of the remainder of the P. I. gain was in this class, the figure jumping from 38,912 to 80,396, or 41,484 to the good. P. R. declined from 90,650 to 49,450.

Class D was the only one in which the U. S. product showed up on the favorable side of the ledger. The withdrawals grew from 4,773,640 to 5,338,504, a gain of 564,864, or 11.83 per cent.

Class E was minus for both the U. S. and the P. I. The total for the two was 844,135, as compared with 979,909, a drop of 135,774, or 13.86 per cent.

Cigarettes piled up the impressive U. S. total of 14,461,358,957, as compared with 13,505,602,337, a rise of 955,756,620, or 7.08 per cent. P. I. and P. R. losses reduced this fractionally to 7.07 per cent.

Snuff went up from 3,193,280 to 3,242,896 pounds, an increase of 49,606, or 1.55 per cent.

Product	November, 1939		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	429,849,745	—	10,904,575	2.47
Philippine Islands	20,551,310	+	10,817,300	....
Puerto Rico	125,150	—	190,050	....
Total	450,526,205	—	277,325	0.06
Class B—				
United States	4,844,143	+	359,256	8.01
Philippine Islands	5,207	—	11,103	....
Puerto Rico	19,000	+	7,500	....
Total	4,868,350	+	355,653	7.88
Class C—				
United States	64,221,970	—	644,130	0.99
Philippine Islands	80,396	+	41,484	....
Puerto Rico	49,450	—	41,200	....
Total	64,351,816	—	643,846	0.99
Class D—				
United States	5,338,504	+	564,864	11.83
Philippine Islands	4,710	+	534	....
Puerto Rico	700	—	300	....
Total	5,343,914	+	565,098	11.83
Class E—				
United States	844,085	—	135,638	13.84
Philippine Islands	50	—	136	....
Puerto Rico	.....		.....	....
Total	844,135	—	135,774	13.86
Total All Classes:				
United States	505,098,447	—	10,760,223	2.09
Philippine Islands	20,641,673	+	10,848,079	....
Puerto Rico	194,300	—	224,050	....
Grand Total	525,934,420	—	136,194	0.03
Little Cigars:				
United States	12,528,507	—	2,948,880	19.05
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	12,528,507	—	2,948,880	19.05
Cigarettes:				
United States	14,461,358,957	+	955,756,620	7.08
Philippine Islands	2,000	—	6,550	....
Puerto Rico	116,000	—	538,840	....
Total	14,461,476,957	+	955,211,230	7.07
Large Cigarettes—				
United States	219,750	—	235,150	51.69
Philippine Islands	.....		.....	....
Puerto Rico	20,000	—	25,161	55.71
Total	239,750	—	260,311	52.06
Snuff (lbs.):				
All United States	3,242,896	+	49,606	1.55
Tobacco (Chewing and Smoking) lbs.:				
United States	25,192,803	—	2,554,213	9.21
Philippine Islands	1	+	1	....
Total	25,192,804	—	2,554,212	9.21

Eleven Months' Record One of Gains

Only Large Cigarettes; Chewing and Smoking Tobacco Fail to Participate in Withdrawal Increases for Period

EVERY classification of tobacco products except large cigarettes, smoking and chewing tobacco, are represented by worthwhile increases in withdrawals for consumption during the first eleven months of 1939, as reported in the supplement to the Tobacco Barometer of the Tobacco Merchants of the U. S. The gains range from 3.28 per cent. for snuff to 5.67 per cent. for cigarettes. The large cigarette loss was 9.12 per cent., and that of chewing and smoking tobacco an inconsiderable 0.18 per cent.

Following are the comparative figures:

Cigars of all classes in the U. S. totaled 4,980,190,258, as compared with 4,804,760,811, an increase of 175,429,447, or 3.65 per cent. Philippine Island withdrawals grew from 170,640,988 to 189,165,637, a rise of 18,524,649, or 10.86 per cent. P. R. withdrawals dropped 347,235, or 19.10 per cent., from 1,817,875 to 1,470,640. The net gain was 3.89 per cent.

Class A cigars in the U. S. totaled 4,454,366,120, as compared with 4,256,045,360, an increase of 198,320,760, or 4.66 per cent. P. I. withdrawals totaled 188,414,310, as compared with 169,994,955, an increase of 18,419,355, or 10.84 per cent. P. R. withdrawals declined from 1,101,175 to 1,004,840, a difference of 96,885, so that the net gain for the class was 4.89 per cent.

Class B cigars in the U. S. totaled 38,575,525, as compared with 46,979,607, a loss of 8,404,082, or 17.89 per cent. P. I. and P. R. withdrawals both showed gains, but only sufficient to reduce the decrease of the class to 17.57 per cent.

Class C in the U. S. totaled 449,650,288, as compared with 464,366,916, a decline of 8,404,082, or 3.17 per cent. A P. I. gain of 50,272 and a P. R. loss of 360,450 had the effect of increasing the net loss to 3.23 per cent.

Class D in the U. S. totaled 33,491,781, as compared with 33,630,069, a loss of 138,288, or 0.41 per cent. A 16,082 gain from P. I. and an 1800 loss from P. R. reduced this class loss to 0.37 per cent.

Class E in the U. S. totaled 4,106,544, as compared with 3,738,859, a gain of 367,685, or 9.83 per cent. P. I. withdrawals in this class totaled 47,802, as compared with 18,143, an increase of 29,659, so that the net gain was 10.58 per cent.

Cigarettes totaled 159,663,737,244, as compared with 151,102,515,300, an increase of 8,561,221,944, or 5.67 per cent. The net gain stayed at this rate in spite of a 376,906 P. I. loss and a 758,510 P. R. gain.

Little cigars were up 3.40 per cent.

Following are the comparative figures:

Product	1st 11 Mos. Cal. Yr. 1939		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,454,366,120	+	198,320,760	4.66
Philippine Islands	188,414,310	+	18,419,355	10.84
Puerto Rico	1,004,840	—	96,885	....
Total	4,643,785,270	+	216,643,230	4.89
Class B—				
United States	38,575,525	—	8,404,082	17.89
Philippine Islands	91,194	+	9,281	....
Puerto Rico	196,900	+	111,900	....
Total	38,863,619	—	8,282,901	17.57
Class C—				
United States	449,650,288	—	14,716,628	3.17
Philippine Islands	340,620	+	50,272	....
Puerto Rico	266,700	—	360,450	....
Total	450,257,608	—	15,026,806	3.23
Class D—				
United States	33,491,781	—	138,288	0.41
Philippine Islands	271,711	+	16,082	....
Puerto Rico	2,200	—	1,800	....
Total	33,765,692	—	124,006	0.37
Class E—				
United States	4,106,544	+	367,685	9.83
Philippine Islands	47,802	+	29,659	....
Puerto Rico	.....		.....	....
Total	4,154,346	+	397,344	10.58
Total All Classes:				
United States	4,980,190,258	+	175,429,447	3.65
Philippine Islands	189,165,637	+	18,524,649	10.86
Puerto Rico	1,470,640	—	347,235	19.10
Grand Total	5,170,826,535	+	193,606,861	3.89
Little Cigars:				
United States	149,523,734	+	4,915,448	3.40
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	149,523,734	+	4,915,448	3.40
Cigarettes:				
United States	159,663,737,244	+	8,561,221,944	5.67
Philippine Islands	1,212,567	—	376,906	....
Puerto Rico	4,672,630	+	758,510	....
Total	159,669,622,441	+	8,561,603,548	5.67
Large Cigarettes—				
United States	2,329,636	—	153,039	6.16
Philippine Islands	121	—	40	....
Puerto Rico	180,300	—	98,711	35.38
Total	2,510,057	—	251,790	9.12
Snuff (lbs.):				
All United States	35,048,918	+	1,113,220	3.28
Tobacco (Chewing and Smoking) lbs.:				
United States	281,689,006	—	509,458	0.18
Philippine Islands	565	+	518	....
Total	281,689,571	—	508,940	0.18

NOW FOR NATD CONVENTION

(Continued From Page 5)

Delegates to last year's convention were highly impressed by the fruitful activity of the Junior Executives' Committee, a novel but vital factor in the success of the meeting.

The forthcoming convention will again feature sessions conducted by the "leaders of tomorrow." Incidentally, but significant of the broadness in scope of the junior executive sessions at the 8th annual conclave, is inclusion of all young men regardless of their industrial classification. For instance, in addition to the younger executives of the wholesale tobacco distributors, young cigar manufacturing executives, cigarette manufacturing executives, candy, pipe, blade and allied lines are to take an active part. These young men will contribute ideas for the solution of ever-changing problems that beset the wholesale and manufacturing branches of the industry from Coast to Coast.

Modern merchandising trends, legislative developments, the future of the industry for the young man, sales, personnel and management problems and what the younger man can contribute to rectifying wrongs in the industry are a few of the timely subjects that will be discussed in open forum.

The Junior Executive Convention Committee has as chairman, Charles Dearstyne, of the famous Dearstyne family of tobacco distributors of Albany, N. Y. The roster of those who will work with him to make the sessions weighty in their significance is as follows:

Herman Cassel, Sam Cassel Co., Chicago, Ill.; Louis M. Fushan, Federal Drug Co., Pittsburgh, Pa.; David L. Goldenberg, El Queeno Cigar Co., Duluth, Minn.; E. W. Harris, Jr., Hamilton, Harris & Co., Indianapolis, Ind.; Rudy Hooffstetter, Jr., Hooffstetter Bros., Columbus, Ohio; A. L. Kaufman, Arthur F. Schultz Co., Erie, Pa.; Frank Krakoff, N. Rice Drug & Cigar Co., Pittsburgh, Pa.; Wm. H. Leidersdorf, Lewis-Leidersdorf Co., Milwaukee, Wisc.; H. L. Mirsky, B. Mirsky & Son, San Francisco, Calif.; Jack Newman, Louis S. Cohn Co., Butte, Mont.; W. B. Poinsett, Jr., Myers-Cox Co., Dubuque, Iowa; Carl E. Schultz, Arthur F. Schultz Co., Erie, Pa.; Stanley Wasserman, B. Wasserman Co., New York, N. Y.; David Vipond, Scranton Tobacco Co., Scranton, Pa.; Harry Youngman, Flaks, Inc., Denver, Colo.

The ladies on the various committees appointed by the N. A. T. D. Club for Women, in connection with the 8th annual convention of the National Association of Tobacco Distributors, are being congratulated for their enthusiastic organizing ability. Veteran association members among the so-called stronger sex are confident that the N. A. T. D. Club for Women, though but little more than two years in existence, will stage their most successful meeting during the forthcoming convention.

This impression is borne out by the following imposing lineup of committees.

Mrs. Michael Bloom will serve as chairman of the Official Greeters Committee. She will be assisted by Mrs. C. D. Coleman, Mrs. Joseph Epstein, Mrs. W. S. Fishman, Mrs. Albert Cassel, Mrs. S. J. Lesser, Mrs. L. Michaelson, Mrs. Chas. A. Rubey, Mrs. Meyer Silver, Mrs. John P. Sweeney, Mrs. C. Hybl, Mrs. I. Hesser, Mrs. Sam Cassel, Mrs. M. Grossman, Mrs. Edward Finder, Mrs. Robt. Kaufman, Mrs. Harry S. Levy, Mrs. D. S. Schaffner, Mrs. P. E. Cheney, Mrs. W. A. Chatterton, Mrs. Charles Eden, Mrs. E. W. Harris, Mrs. Martin Thomsen, Mrs. Asher Lane, Mrs. P. E. Griffin, Mrs. Luther B. Sleet, Mrs. Emil Kellner, Mrs. O. B. McIntosh, Mrs. Fred Meyers, Mrs. Harry Gelb, Mrs. E. M. Hartzberg, Mrs. Alex Schwartz, Mrs. Harry Ferbstein, Mrs. S. L. Abrams, Mrs. Barrett Sydnor, Mrs. H. G. Hall, Mrs. Max Temkin, Mrs. J. Eshelby, Mrs. H. A. Dowling, Mrs. Gus Klare, Mrs. Myron Benzion, Mrs. Fred H. Elsner, Mrs. J. Maute, Mrs. B. Garfinkel, Mrs. Max Bloom, Mrs. J. C. Newman, Mrs. Sam Bloomenstein.

Mrs. Milton Branower will serve as chairman of the Flowers Committee. She will be assisted by Miss Virginia Bambas.

Mrs. Fred H. Elsner will serve as chairman of Registration Committee. She will be assisted by Mrs. J. Maute, Mrs. Max Bloom, Mrs. L. F. Freckman, Mrs. Frank Shapiro, Mrs. Hy. Nemrow, Mrs. W. J. Brockmeyer, Mrs. E. M. Zolla, Mrs. B. Garfinkel, Mrs. Walter Lewis, Mrs. Harry Levin.

Mrs. Myron Benzion will serve as chairman of Program Committee. She will be assisted by Mrs. Fred H. Elsner, Mrs. Michael Bloom, Mrs. Milton Branower, Mrs. M. J. Benjamin.

Mrs. Harry Levin will serve as chairman of Admissions Committee. She will be assisted by Mrs. Walter Lewis.

Mrs. Milton J. Benjamin will serve as chairman of the Gifts Committee. She will be assisted by Mrs. S. Bloomenstein, Mrs. W. J. Brockmeyer.

JOE KOLODNY KEEPS 'EM STEPPING

(Continued From Page 4)

detail he can carry himself. It is a source of constant wonderment to his colleagues as to the secret of his seemingly unlimited drive. Despite the fact that he works from 12 to 16 hours daily, he hasn't been detected surreptitiously swallowing caffein tablets to ward off slumber, and no matter how intense the going, he preserves the nerve-soothing calm of a Tibetan monk.

It is an unusual "break" for the interviewee if Mr. Kolodny sees the visitor immediately upon arrival. Usually he must cool his heels for a short time on the "mourners' bench" outside the gate leading down the aisle to the inner office. This condition is not of Mr. Kolodny's choice, but because from the time he comes in the inner office usually is filled with wholesalers from long distance who come to him for advice and to divest themselves of their respective problems. Inasmuch as Mr. Kolodny, the personification of courtesy, makes the problems of his vis-a-vis paramount, those who have come later must await their turn.

Lest you, patient reader, think that the foregoing description of Mr. Kolodny's indubitable charm is written with an eye to a Christmas bonus, it must be recorded that Mr. Kolodny's winning personality cloaks the activity of a hard-hitting association executive. He is an exponent of a streamlined version of the "mailed fist in the velvet glove" technique when it comes to getting things done. For instance:

Two months ago the writer ambled into the executive secretary's offices and proposed that Mr. Kolodny sit for his portrait to be used in the association yearbook. The writer pointed out that this drawing would be a fresh departure from the use of half tones or photographs. And, too, it would add artistic tone, etc.

(Continued on Page 11)

Above—AN ACTUAL COLOR PHOTOGRAPH. A. B. Mize of North Carolina grew some of the finest tobacco he ever raised—thanks to U. S. Government methods.

Uncle Sam. TOBACCO EXPERT!

"U. S. Gov't methods have made tobacco better than ever . . . and Luckies buy the choicer grades," says James Walker, 19 years an independent buyer.

Q. "What are these methods of Uncle Sam's?"

Mr. Walker: "They're scientific ways of improving soil and plant food . . . that have helped farmers grow finer tobacco in recent years."

Q. "And that's what has made tobacco better?"

Mr. W: "The best in 300 years . . . even though crops do vary with the weather."

Q. "You say Luckies buy the 'Cream of the Crop'?"

Mr. W: "They sure do. That's why they're the 2-to-1 choice of independent experts — warehousemen, auctioneers, buyers. I've smoked them 10 years."

Try Luckies for a week. You'll find that the "Toasting" process makes them easy on your throat — because it takes out certain harsh throat irritants that are found in all tobacco.

You'll also find out why . . .

WITH MEN WHO KNOW TOBACCO BEST — IT'S LUCKIES 2 TO 1

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New Trade Agreement With Cuba

THE State Department has announced the signing of a supplemental preferential trade agreement between the United States and Cuba. The new agreement which is limited in scope, includes provisions for the restoration of concessions on Cuban cigar filler, scrap tobacco, and cigars imported into the United States to replace the concessions originally provided in the Trade Agreement of 1934 which terminated in March, 1936, upon the issuance of a proclamation by the United States Secretary of Agriculture that the cigar-tobacco adjustment program in the United States has been substantially abandoned.

As announced by the State Department: "*This agreement will enter into force on the day following the exchange of the proclamations of the President of the United States and of the President of Cuba.* It supplements and amends the exclusive and preferential trade agreement between the United States and Cuba signed on August 24, 1934, of which it will become an integral part." It became effective December 23.

We quote from the announcement issued by the State Department: "With respect to Cuban tobacco imported into the United States, the new agreement provides for the continuance of the present rate of $1.20 per pound on unstemmed wrapper tobacco (including filler tobacco when mixed or packed with more than 35 per centum of wrapper tobacco); for reduction, subject to quantitative limitations, in the rates of duty on filler tobacco not specially provided for (other than cigarette leaf tobacco) and scrap tobacco, to the rates originally established in the agreement of 1934, as noted below; and on Cuban cigars and cheroots, reestablishment of the rate of $2.25 per pound and 12½ per cent. ad valorem provided in the Agreement of 1934, in place of the present rate of $3.60 per pound and 20 per cent. ad valorem.

"On Cuban filler and scrap tobacco, which constitute over 98 per cent. of the normal imports of Cuban tobacco into the United States, the tariff reductions provided are as follows:

"On stemmed cigar filled tobacco, the duty is reduced from 40 cents to 25 cents per pound, and on unstemmed cigar filler tobacco and scrap tobacco, from 28 cents to 17½ cents per pound, these being the reductions originally provided for these products in the Agreement of 1934. Under the 1934 agreement there was a limitation on imports of Cuban tobacco and tobacco products into the United States to 18 per cent. of the total quantity (unstemmed equivalent) of tobacco used in the manufacture of cigars in registered factories of the continental United States during the preceding calendar year. This limitation ceased to be effective in March, 1936. The new agreement limits the application of the reduced rates on cigar filler and scrap tobacco to 22,000,000 pounds in any calendar year after 1939, imports in excess of this quantity becoming subject to the existing higher rates. This quantity of 22,000,000 pounds is the approximate equivalent of 18 per cent. of the average amount of tobacco used in the manufacture of cigars in registerd factories of the continental United States in the four years 1935 to 1938 inclusive."

The new agreement makes no changes in the Cuban duties on American tobacco and tobacco products.

The tariff on sugar will undoubtedly be of interest to some branches of the tobacco industry, and so we quote again from the official announcement issued by the State Department, as follows: "The provisions of the new agreement relating to Cuban sugar imported into the United States provide for the restoration of the rate of ninety cents per hundred pounds on 96° sugar if 'the President of the United States of America gives public notice that the suspension of title II of the Sugar Act of 1937, which he proclaimed on September 11, 1939, has been or will be terminated'. The ninety-cent rate will then apply to sugar of Cuban origin 'entered, or withdrawn from warehouse, for consumption on or after the day following the filing of such public notice with the Division of Federal Register of the United States National Archives'. The new agreement provides for the application of this rate thereafter, whenever and so long as there is statutory provision for the imposition of limitations on the importation or marketing of Cuban sugar."

As already pointed out the new agreement becomes an integral part of the original Trade Agreement concluded in 1934, and in view of the new rates of duty, it may be well to quote the provisions of Article IX of the original agreement:

"On and after the day on which this Agreement comes into force, articles the growth, produce or manufacture of the United States of America and articles the growth, produce or manufacture of the Republic of Cuba perviously imported into the other country shall be subject to the provisions of this Agreement, if entry therefor has not been made, or if they have been previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, and without any permit of delivery to the importer or to his agent having been issued: Provided, That when duties are based upon the weight of merchandise deposited in any public or private warehouse, the said duties shall, except as may be otherwise specially provided in the tariff laws of the respective countries in force on the day of signature of this Agreement, be levied and collected upon the weight of such merchandise at the time of its entry."—Tobacco Merchants Association of the U. S.

PHILIPPINE INDEPENDENCE ACT

LAST August Congress enacted a measure (Public No. 300—76th Congress) amending the Philippine Independence Act. The amendment deals with United States-Philippine trade relations during the period beginning January 1, 1940, and ending July 3, 1946, and, among other things, provides certain declining duty-free quotas for Philippine cigars and scrap and filler tobacco shipped to the United States during this period in lieu of the increasing Philippine export tax on these products required under the original Act. This change was made contingent upon the passage of conforming amendments to the Philippine Constitution.

The requisite amendments to the Philippine Constitution have now been enacted, and the quota provisions referred to will accordingly become effective on January 1st next.

Under the new measure the following so-called "original quotas" are established for shipments of these products to the United States for the calendar year 1940:

"Cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes including wrappers—200,000,000 cigars;

"Scrap tobacco and stemmed and unstemmed filler tobacco described in paragraph 602 of the Tariff Act of 1930—4,500,000 pounds.

"For each calendar year thereafter through the calendar year 1945, each of the said quotas shall be the same as the corresponding quota for the immediately preceding calendar year, less 5 per cent. of the corresponding original quota.

"For the period January 1, 1946, through July 3, 1946, each of said quotas shall be one-half of the corresponding quota specified for the calendar year 1945."

With respect to shipments in excess of the quotas specified, it is to be noted that the Amendatory Act provides that the United States duty shall be levied, collected and paid in the United States upon every article for which the quota is established and "which is entered, or withdrawn from warehouse, for consumption after December 31, 1939, in excess of its respective quota."

The Act makes no change whatever with respect to American shipments of tobacco products to the Philippines which are to enter the Philippines free of duty until the Philippines attain their complete independence.

Under the Independence Act the Philippines are to attain their full independence on July 4, 1946, and under the Amendatory Act it is provided that at least 2 years prior to that date a conference shall be held of representatives of the Government of the United States and the Government of the Commonwealth of the Philippines for the purpose of formulating recommendations as to the future trade relations between the United States and the independent Philippine Republic.—Tobacco Merchants Association.

JOE KOLODNY KEEPS 'EM STEPPING

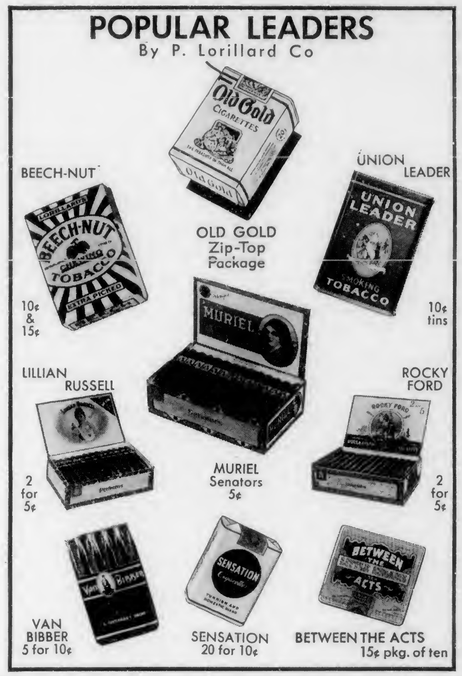
(*Continued From Page 8*)

Mr. Kolodny, who is alive to all the possibilities of publicity and goes in for it in a big way to further the progress of the organization to which he has devoted years of intensive service, fixed a slightly amused but otherwise enigmatic eye on the writer. "See me Friday," he suggested. Successive Fridays passed into the Limbo of the past but Mr. Kolodny's features still remained unlimned for posterity. After the fifth call, Mr. Kolodny asked that the writer be shown into his private office.

At long last. Stepping into the office the writer was greeted cordially by Mr. Kolodny, who glanced up from a mass of correspondence and other association detail. The writer settled himself in the most comfortable chair available and tilted his drawing board against the side of the executive secretary's desk.

When Joe Stalin unmasked, Finland was stunned. And Mr. Kolodny's next remark produced somewhat of the same sensation, as the writer was shocked out of his artistic lassitude.

"You've done some writing for the trade press and newspapers, haven't you," he asked. A hesitant and somewhat puzzled affirmative brought on this second bolt from the blue: "well, take this material, read it over carefully, and write something. Get out . . . and get busy."



Staggering out of the office with a handful of assignments, the writer sought a vacant desk and typewriter. The two typewriting fingers on each hand are calloused from hours of steady key pounding. A stream of drivel has gone out to trade press and newspapers. Fortunately, kindly disposed editors have cooperated handsomely. Of course, Mr. Kolodny could handle this work himself if he could add a couple of hours to his working day. With Milt Benjamin, his first assistant, on the ground in Chicago, racking his brain and tearing his hair to make the pieces fit into the jig-saw puzzle that is a big trade convention, there was no one else available to take over this routine detail.

So far, the writer has sketched Messrs. Pinney, Davis and Edwards, "big shots" of the NATD, but he thinks wistfully—or perhaps it is just wishful thinking—of the time when he ALMOST got Mr. Kolodny to sit for his sketch.

PHILIPPINE EXPORT TRADE

The leaf tobacco export trade of the Philippine Islands during the first 9 months of 1939 totaled 13,962,479 kilograms, or an increase of 151 per cent. over 5,568,284 in the first 9 months of 1938. War conditions caused a complete stoppage of leaf exports to Europe during September, but shipments to the United States were very heavy.

During the first 9 months of 1939, shipments of cigars from the Philippines to the United States reached 141,943,817 units, a slight gain (less than 1 per cent.) over 140,844,067 in the corresponding period of 1938. Cigar exports to "Other Countries," amounting to 8,678,201 units, noted a 45 per cent. improvement over 5,968,038 in the 9-month period of 1938.

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EXPORT TRADE OF CUBA

THE value of the Cuban tobacco export trade in October, 1939, amounted to $1,161,382, as compared with $1,582,311 in September, 1939, and $1,112,056 in October, 1938. According to a review of Cuban official statistics from the American Consulate General, Habana, made available to the trade by the Tobacco Division, Department of Commerce, the effect of European hostilities on this trade is indicated by the fact that exports to all belligerent countries in October declined in comparison with exports in September, and in October, 1938. Shipments to the United Kingdom, the second leading market, in October, 1939, were valued at $66,333, as against $142,634 in the preceding month, and $159,032 in October, 1938. There were no exports to Germany in October and September, whereas shipments in those months in 1938 amounted to $49,775. Likewise there were no exports to France in October, 1939, while shipments in September, 1939, were valued at only $540, and in October, 1938, $35,182. Poland never has been a market for Cuban tobacco. In fact, exports to all leading foreign markets for Cuban tobacco showed a decrease in October, except to Argentina, shipments to that country being valued at $133,711 ($80,687 in September, 1939, and $17,541 in October, 1938).

Cuban tobacco exports to the United States in October, 1939, were valued at $810,334 compared with $1,096,589 in the preceding month, and $769,191 in October, 1938. Shipments in October, 1939, were made up, for the most part, of 32,282 pounds of wrapper tobacco, valued at $43,696; 187,761 pounds of filler, valued at $94,495; 853,861 pounds of stemmed leaf, valued at $524,988; 223,372 pounds of scrap tobacco, valued at $56,116, and 790,200 cigars, valued at $91,017. During October the United States for the first time in many years replaced the United Kingdom (which took but 692,983 cigars, valued at $66,315) as the leading market for Cuban cigars. In fact, cigar exports to the United States in October, 1939, were larger than in any other month since October, 1935, when shipments reached 792,935 cigars, valued at $86,957.

In spite of the decreased value of total tobacco exports in October, 1939, the substantial increase in the value of shipments to Argentina reduced to less than $200,000 the difference between the value of all tobacco exports during the first 10 months of 1939 and those of the same period of 1938; that is, $11,849,673, as compared with $12,032,658. During the first 10 months of 1937, exports were valued at $12,854,457. The value of exports during the first 8 months of 1939 was $722,000 less than during the like period of 1938, and the decrease in this difference at the close of the 10-month period is indicative of the increased value of tobacco exports to non-belligerent countries, chiefly the United States, and certain South American markets, during the months of September and October.

Total leaf exports during the 10-month period of 1939, advanced slightly (less than 1 per cent.) in volume, but declined less than 1 per cent. in value. Shipments of wrapper, stemmed leaf, and scrap showed an improvement in volume, while filler exports fell during the 1939 period. All shipments of tobacco manufactures registered a drop during the first 10 months of 1939, cigars falling 8 per cent., cigarettes 9 per cent., and smoking tobacco 6 per cent.

Cuban tobacco exports to the United States during the first 10 months of 1939 were valued at $7,552,671, as against $7,126,263 during the same months of 1938, representing 64 per cent. of the value of total tobacco exports from Cuba in the 1939 period, as compared with 59 per cent. in the 1938 period. In the first 10 months of 1937 the value of shipments to American markets was $7,641,385, which also was 59 per cent. of the value of all exports.

Total shipments of leaf tobacco to the United States during the first 10 months of 1939 increased 11 per cent. in volume and 5 per cent. in value over exports to that country in the corresponding period of

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1938. With the exception of filler tobacco, an advance was shown in all leaf items during the 1939 period. Cigar exports gained 40 per cent. in volume and 41 per cent. in value; cigarette shipments registered a heavy increase both in volume and value, and the smoking tobacco trade improved 36 per cent. in volume and 42 per cent. in value.

Markets for Cuban tobacco, other than the United States, in the order of their importance during the first 10 months of 1939, were as follows: The United Kingdom, Spain, Argentina, France, Germany (including Austria), the Netherlands, Uruguay, Chile, Canada, Peru, and Puerto Rico.

TOBACCO EXPORT OUTLOOK

The export outlook for dark types of tobacco continues to be unfavorable because of the long-term decline in total consumption of those types and because of the present European situation. No great change in the foreign takings of Burley is expected in 1939-40, but exports of Maryland tobacco are likely to be adversely affected by the war.

Domestic consumption is expected to increase somewhat, but a sharp decrease in exports in 1939-40 may be expected. Total supplies reached a new high this year. The 1939 crop exceeds the annual disappearance of the last 2 years by more than 200 million pounds. Thus, even if there were no diminution of exports to the United Kingdom, stocks a year hence will be materially larger than the present large stocks. Growers have voted in favor of a marketing quota program which, with average yields, would result in a production of around 660 million pounds in 1940.

The present supply of flue-cured tobacco is the largest in history. The 1939 crop of 1,012 million pounds greatly exceeds the prospective disappearance in 1939-40. As a result, stocks on July 1, 1940, are likely to show an increase of more than 200 million pounds. As a means of rectifying this condition of oversupply growers have voted for a marketing quota program for 1940 which, with average yields, would give a production of around 660 million pounds.

The 1939 crop is estimated at about 1,012 million pounds. This record crop is about 17 per cent. above the previous high of 1937 and about 44 per cent. above the 1928-37 average production. From 1934 to 1938 returns from flue-cured tobacco were relatively favorable as compared with returns from competing crops, especially cotton.

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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

TIVOLI:—46,755. For all tobacco products. Registered by Consolidated Litho. Corp., Brooklyn, N. Y., on October 31, 1939.

TRANSFERRED REGISTRATIONS

CALSETTA:—19,529 (Tobacco World). For cigars, cigarettes and cheroots. Registered January 22, 1910, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Transferred to A. Siegel & Sons, New York, N. Y., on March 10, 1917.

S'MILD:—38,451 (United States Patent Office). For cigars. Registered December 30, 1930, by J. Kerns, Inc., Milwaukee, Wis. Transferred to Schwartz Bros. Cigar Co., Philadelphia, Pa., on December 8, 1939.

DON ALVANO:—22,343 (Tobacco World). For cigars, cigarettes and cheroots; and **16,636** (United States Patent Office), for cigars. Registered May 9, 1911, and November 5, 1912, respectively, by C. B. Henschel Mfg. Co., Milwaukee, Wis. Transferred to J. Kerns, Inc., Milwaukee, Wis., and re-transferred to Schwartz Bros. Cigar Co., Philadelphia, Pa., on December 8, 1939.

SINCLAIRS:—26,027 (United States Patent Office). For cigars. Registered May 29, 1923, by J. Kerns, Milwaukee, Wis. Transferred to Schwartz Bros. Cigar Co., Philadelphia, Pa., on December 8, 1939.

TIVOLI:—46,755 (Tobacco Merchants Association of the U. S.). For all tobacco products. Registered October 31, 1939, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to Puerto Rico Tobacco Corporation, Bayamon, P. R., on December 15, 1939.

Revenue Collections for November

Source of Revenue	1939	1938
Cigars	$ 1,314,413.88	$ 1,314,710.84
Cigarettes	43,385,910.67	40,520,274.89
Snuff	583,721.26	574,792.30
Tobacco, chewing and smoking	4,534,868.47	4,994,628.86
Cigarette papers and tubes	157,184.70	134,745.49
Leaf dealer penalties	25.00	98.51

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of September

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	4,470,588	— 552,836	11.01
Twist	481,926	+ 48,488	11.19
Fine-cut Chewing	348,371	— 54,529	13.53
Scrap Chewing	3,521,475	— 133,954	3.66
Smoking	17,503,308	— 308,909	1.73
Total	26,325,068	— 1,001,740	3.67

Nine Months Ending September 30

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	39,504,985	— 2,505,619	5.96
Twist	4,250,964	+ 294,484	7.44
Fine-cut Chewing	3,451,444	— 113,533	3.18
Scrap Chewing	31,166,639	— 2,517,245	7.49
Smoking	150,704,993	+ 3,529,074	2.40
Total	229,019,025	— 1,312,839	0.57

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

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AMERICAN TOBACCO ADDS 34 STATIONS

"Your Hit Parade," American Tobacco Company series broadcast over CBS Saturday evenings, 9:00-9:45 P. M. (rebroadcast 12:00-12:45 P. M.) in behalf of Lucky Strike cigarettes, will add thirty-four more CBS stations to its network, starting with the broadcast of January 6th. The additions bring the program's network to 102 stations, the largest on Columbia's roster of commercial shows.

"Your Hit Parade" features the ten top popular tunes of the week, determined after a thorough check of record and sheet music sales, and played by Mark Warnow's Orchestra, with vocals by Barry Wood, singing M. C., Bea Wain, and the Hit Paraders' Chorus.

The account was placed by Lord & Thomas.

The American Tobacco Company has extended the contract for Ben Bernie's weekly program, heard in behalf of Half and Half Smoking Tobacco over 53 Columbia stations on Sunday evening from 5.30 to 6 P. M., rebroadcast from 12 midnight to 12.30 A. M. Appearing with Ben Bernie and All the Lads on the program are Lew Lehr, Buddy Clark, Mary Small, and the Bailey Sisters. The American Tobacco Company has been heard on Columbia for 188 weeks.

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TOBACCO WORLD

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A GOOD YEAR FOR TOBACCO INDUSTRY

During 1939, all types of tobacco products, except large cigarettes, chewing and smoking tobacco, recorded increases.

Cigarettes climbed to the peak figure of 172,473,057,944 in withdrawals, an increase of 5.32 per cent. over 1938.

Cigars reached a total of 5,509,965,858, an increase of 3.46 per cent.

Little cigars totaled 157,276,734, an increase of 1.28 per cent.

Snuff totaled 38,107,336 pounds, an increase of 1.83 per cent.

Large cigarettes totaled 2,814,457, a decrease of 7.85 per cent.

Chewing and smoking tobacco totaled 302,777,893 pounds, a loss of 1.03 per cent.

CHESTERFIELD

The real reason why Chesterfields are in more pockets every day is because Chesterfield's Right Combination of the world's best cigarette tobaccos gives you a better smoke... definitely milder, cooler and better-tasting. *You can't buy a better cigarette.*

MAKE YOUR NEXT PACK CHESTERFIELD *They Satisfy*

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HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 FEBRUARY, 1940 No. 2

IT IS encouraging to note that despite uncertainties—war, election, taxes—the usual year-end reviews by the Nation's economists and business leaders hold to the view that business generally in 1940 will be materially better than in 1939, while Col. Leonard P. Ayres, of the Cleveland Trust Company, states: "Among series likely to make new all-time high records in 1940 are . . . tobacco products." That is the encouraging note sounded by the *Tobacco Barometer* of the Tobacco Merchants Association of the United States in a review of 1939 and a forecast of the outlook for 1940.

▲

IN HIS budget message to Congress recommending the enactment of tax legislation (totaling $460,000,000) to finance the emergency national defense expenditures, President Roosevelt stated: "I strongly recommend to the Congress, therefore, that additional taxes be imposed to yield in the year 1941 at least enough to cover the emergency national defense expenditures in the fiscal years 1940 and 1941. In seeking additional sources of revenue I hope that the Congress will follow the accepted principle of good taxation of taxing according to ability to pay and will avoid taxes which decrease consumer buying power" No specific tax proposals were advanced by the President. However, according to current reports, the President seems to favor a 10 per cent. super-tax on income taxes.

▲

THE Federal Internal Revenue collections from tobacco in the fiscal year ended June 30, 1939, established a new high mark of $580,159,206, constituting approximately 25 per cent. of the total internal revenue collections from all sources exclusive of income taxes and taxes under the Social Security Act. Huge as this figure is, the real extent of the tobacco tax burden is more readily apparent by comparing it with the factory value of the industry's products of all types as set forth in the Census of Manufactures, which discloses that approximately 44 per cent. of the total value of such products is represented by the internal revenue tax stamps thereon; while as regards cigarettes, the same report shows that the internal revenue tax thereon constitutes close to 53 per cent .of the factory value of this product. On top of the Federal internal revenue taxes the various state and other imposts upon tobacco products have added approximately sixty-four million dollars more in taxes during the above-mentioned fiscal year—truly an extraordinary burden. It is, however, interesting to note that recent developments unquestionably indicate overwhelming public sentiment against excessive taxation. In fact, there is probably a greater recognition on the part of the general public today than ever before that taxes constitute a most important item in the cost of living.

▲

RECORDS of withdrawals for the twelvemonth ended November 30, 1939, show that every major type of tobacco product recorded an increase over the previous twelvemonth, the only decrease recorded being large cigarettes. Cigarette withdrawals again established a new all-time peak, totaling 172,325,686,484—an increase of 5.26 per cent. over the previous year. The months of June and August, during both of which the withdrawals exceeded sixteen and a half billion cigarettes, were particularly outstanding. Cigars, too, recorded an increase of 191,732,984, or 3.60 per cent., as contrasted with the loss of some 4 per cent. suffered in the previous year. The increase, however, was primarily confined to Class A, which constituted about 89.6 per cent. of the total cigar withdrawals. In the case of little cigars, the increase was 4,632,915, or 2.98 per cent., while large cigarettes, as already indicated, suffered a loss of 214,784, or 7.12 per cent. Chewing and smoking tobacco withdrawals, as well as withdrawals of snuff, were also in excess of the previous year—the increase for smoking and chewing tobacco being 1,919,245 pounds, or 0.63 per cent., and that for snuff being 1,111,714 pounds, or 2.98 per cent.

▲

THE leading states in the production of the various types of tobacco products during the calendar year 1938, as reported in the same issue of the *Tobacco Barometer,* were as follows: Cigars, Pennsylvania, 35.50 per cent.; Florida, 17.49 per cent.; New Jerse, 13.22 per cent.; South Carolina, 5.06 per cent.; Ohio, 4.65 per cent.; Virginia, 4.25 per cent.; New York, 3.91 per cent.; Michigan, 2.99 per cent.; Indiana, 1.97 per cent.; aggregate for states listed, 89.04 per cent. Cigarettes: North Carolina, 49.67 per cent.; Virginia, 32.84 per cent.; Kentucky, 7.15 per cent.; New Jersey, 5.12 per cent.; Pennsylvania, 3.20 per cent.; California, 1.90 per cent.; aggregate of states listed, 99.88 per cent. Fine cut: Pennsylvania, 42.58 per cent.; Illinois, 32.06 per cent.; Michigan, 14.33 per cent.; Virginia, 6.83 per cent.; Ohio, 3.71 per cent.; aggregate of states listed, 99.51 per cent.

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Cigarettes Alone Gained in December

Among United States Cigars, However, Classes A and E Registered Increases During Closing Month of Year 1939

DECEMBER was decidedly not a big month for the tobacco industry when compared with the same month of 1938. Cigarettes alone, among United States products, registered a gain; minus signs are placed beside all the other types of products in the supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the U. S. The cigarette gain was 1.16 per cent.; the losses ranged from 0.83 per cent. for U. S. cigars to 27.37 per cent. for little cigars.

To begin at the beginning, U. S. cigars of all classes totaled 331,203,629 in withdrawals, as compared with 333,981,623, a decline of 2,777,994. P. I. withdrawals dropped from 14,384,151 to 7,659,694, a difference of 6,724,457. P. R. withdrawals, however, rose from 135,495 to 276,000, so that the grand total for all classes was 339,139,323, as compared with 348,501,269, a loss of 9,361,946, or 2.69 per cent.

Class A in the U. S. totaled 291,256,225, as compared with 288,574,855, an increase of 2,681,370, or 0.93 per cent. A drop in P. I. withdrawals from 14,355,125 to 7,634,695 and a rise in P. R. withdrawals from 51,345 to 67,200, brought the combined total of this class to 298,958,120, as compared with 302,981,325, a difference on the wrong side of the ledger of 4,023,205, or 1.33 per cent.

Class B in the U. S. totaled 3,869,000, as compared with 4,689,873, a decrease of 820,873, or 17.50 per cent. P. I. withdrawals decreased also, but P. R. withdrawals showed an advance sufficient to reduce the net loss for the class to 16.74 per cent.

Class C in the U. S. totaled 33,477,768, as compared with 37,586,098, a decline of 4,108,330, or 10.93 per cent. Again a P. I. loss and a P. R. gain resulted in lowering the net loss, to 10.67 per cent.

Class D in the U. S. totaled 2,172,658, as compared with 2,794,724, a drop of 622,066, or 22.26 per cent. P. I. and P. R. withdrawals in this class were negligible.

Class E alone showed a net increase. Total in the U. S. was 427,978, as compared with 336,073, a gain of 90,905, or 27.35 per cent., which was reduced to 27.27 per cent. by a P. I. gain.

Cigarettes in the U. S. totaled 12,802,800,103, as compared with 12,655,993,013, a rise of 146,807,090, or 1.16 per cent. A P. I. loss and P. R. gain did not change the net percentage of gain.

Little cigars, all in the U. S., dropped 2,922,133, or 27.37 per cent.

Large cigarettes lost 27,897 in the U. S., which became a net gain through P. R. withdrawals.

Snuff lost 429,814 pounds, or 12.65 per cent.; chewing and smoking tobacco lost 2,639,924 pounds, or 11.13 per cent.

Following are the comparative figures:

Product	December, 1939		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	291,256,225	+	2,681,370	0.93
Philippine Islands	7,634,695	—	6,720,430	....
Puerto Rico	67,200	+	15,855	....
Total	298,958,120	—	4,023,205	1.33
Class B—				
United States	3,869,000	—	820,873	17.50
Philippine Islands	5,030	—	947	....
Puerto Rico	47,250	+	33,700	....
Total	3,921,280	—	788,120	16.74
Class C—				
United States	33,477,768	—	4,108,330	10.93
Philippine Islands	19,934	—	1,878	....
Puerto Rico	161,050	+	90,450	....
Total	33,658,752	—	4,019,758	10.67
Class D—				
United States	2,172,658	—	622,066	22.26
Philippine Islands	25	—	1,001	....
Puerto Rico	500	+	500	....
Total	2,173,183	—	622,567	22.27
Class E—				
United States	427,978	+	91,905	27.35
Philippine Islands	10	—	201	....
Puerto Rico	.....		.....	....
Total	427,988	+	91,704	27.27
Total All Classes:				
United States	331,203,629	—	2,777,994	0.83
Philippine Islands	7,659,694	—	6,724,457	....
Puerto Rico	276,000	+	140,505	....
Grand Total	339,139,323	—	9,361,946	2.69
Little Cigars:				
United States	7,753,000	—	2,922,133	27.37
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	7,753,000	—	2,922,133	27.37
Cigarettes:				
United States	12,802,800,103	+	146,807,090	1.16
Philippine Islands	20,400	—	50,630	....
Puerto Rico	615,000	+	615,000	....
Total	12,803,435,503	+	147,371,460	1.16
Large Cigarettes:				
United States	263,400	—	27,897	9.58
Philippine Islands	200	—	800	....
Puerto Rico	40,800	+	40,800	....
Total	304,400	+	12,103	4.14
Snuff (lbs.):				
All United States	2,968,418	—	429,814	12.65
Tobacco (Chewing and Smoking) lbs.:				
United States	21,088,322	—	2,639,924	11.13
Philippine Islands	.....		.....	....
Total	21,088,322	—	2,639,924	11.13

All Major Tobacco Types Gain in 1939

Increases Range from 1.28% to Little Cigars to 5.32% for Cigarettes, Which Pass 172,000,000,000 in Withdrawals

TOTAL U. S. cigars of all classes registered a gain of 3.36 per cent., represented by increases in Classes A and E; little cigars gained 1.28 per cent.; cigarettes gained 5.32 per cent.; snuff gained 5.32 per cent.; large cigarettes lost 6.52 per cent., and chewing and smoking tobacco lost 1.03 per cent. These are the highlights of the report of the 1939 withdrawals for consumption, released in the supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the U. S.

U. S. cigars of all classes totaled 5,311,393,887, as compared with 5,138,742,434, an increase of 172,651,453, or 3.36 per cent. A rise in P. I. withdrawals from 185,025,139 to 196,825,331, representing a gain of 11,800,192, or 6.38 per cent., and a drop in P. R. withdrawals, brought the grand total for all classes to 5,509,965,858, as compared with 5,138,742,434, a net gain of 184,244,915, or 3.46 per cent.

Class A in the U. S. totaled 4,745,622,345, as compared wtih 4,544,620,215, an increase of 201,002,130, or 4.42 per cent. This gain was increased to 4.50 per cent. by the 6.35 per cent. gain in P. I. withdrawals, and a small P. R. decline.

Class B in the U. S. totaled 42,444,525, as compared with 51,669,480, a drop of 9,224,955, or 17.85 per cent., a decrease which was reduced to 17.49 per cent. by gains in both P. I. and P. R. withdrawals.

Class C in the U. S. totaled 483,128,056, as compared with 501,953,014, a decrease of 18,824,958, or 3.75 per cent., a rate of loss which was changed fractionally for the worse by P. I. and P. R. withdrawals.

Class D in the U. S. totaled 35,664,439, as compared with 36,424,793, a decline of 760,354, or 2.09 per cent. A P. I. gain and a P. R. loss served only to reduce this to 2.04 per cent.

Class E in the U. S. totaled 4,534,522, as compared with 4,074,932, an increase of 459,590, or 11.28 per cent. A P. I. gain brought the net increase to 489,048, or 11.95 per cent.

Little cigars gained 1,993,315, or 1.28 per cent.

Cigarettes climbed to the staggering peak of 172,466,537,347, as compared with 163,758,508,313, an increase of 8,708,029,034, or 5.32 per cent. For the total this stood at the same figure as a result of a P. I. gain and a P. R. loss.

Large cigarettes in the U. S. totaled 2,593,036, as compared with 2,773,972, a loss of 6.52 per cent.

Snuff advanced from 37,333,930 pounds to 38,017,336, an increase of 683,406, or 1.83 per cent.

Chewing and smoking tobacco in the U. S. totaled 302,777,328 pounds, as compared to 305,926,710, a loss of 3,149,382, or 1.03 per cent.

Following are the comparative figures:

Product	Calendar Year 1939		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,745,622,345	+	201,002,130	4.42
Philippine Islands	196,049,005	+	11,698,925	6.35
Puerto Rico	1,072,040	—	81,030	....
Total	4,942,743,390	+	212,620,025	4.50
Class B—				
United States	42,444,525	—	9,224,955	17.85
Philippine Islands	96,224	+	8,334	....
Puerto Rico	244,150	+	145,600	....
Total	42,784,899	—	9,071,021	17.49
Class C—				
United States	483,128,056	—	18,824,958	3.75
Philippine Islands	360,554	+	48,394	....
Puerto Rico	427,750	—	270,000	....
Total	483,916,360	—	19,046,564	3.79
Class D—				
United States	35,664,439	—	760,354	2.09
Philippine Islands	271,736	+	15,081	....
Puerto Rico	2,700	—	1,300	....
Total	35,938,875	—	746,573	2.04
Class E—				
United States	4,534,522	+	459,590	11.28
Philippine Islands	47,812	+	29,458	....
Puerto Rico	.....		.....	....
Total	4,582,334	+	489,048	11.95
Total All Classes:				
United States	5,311,393,887	+	172,651,453	3.36
Philippine Islands	196,825,331	+	11,800,192	6.38
Puerto Rico	1,746,640	—	206,730	....
Grand Total	5,509,965,858	+	184,244,915	3.46
Little Cigars:				
United States	157,276,734	+	1,993,315	1.28
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	157,276,734	+	1,993,315	1.28
Cigarettes:				
United States	172,466,537,347	+	8,708,029,034	5.32
Philippine Islands	1,232,967	—	427,536	....
Puerto Rico	5,287,630	+	1,373,510	....
Total	172,473,057,944	+	8,708,975,008	5.32
Large Cigarettes:				
United States	2,593,036	—	180,936	6.52
Philippine Islands	321	—	840	....
Puerto Rico	221,100	—	57,911	20.76
Total	2,814,457	—	239,687	7.85
Snuff (lbs.):				
All United States	38,017,336	+	683,406	1.83
Tobacco (Chewing and Smoking) lbs.:				
United States	302,777,328	—	3,149,382	1.03
Philippine Islands	565	+	518	....
Total	302,777,893	—	3,148,864	1.03

State Unfair Sales Act

By Eric Calamia

President, Retail Tobacco Dealers of America, Inc.

DURING the past three months we devoted a great deal of time to develop and perfect a State Unfair Sales Act that we hope will arouse the enthusiastic support of our industry. The retail tobacco trade as well as many other distributive trades have not been as successful as the drug group for example, in securing fair trade contracts. Tobacco products and particularly cigarettes are still subject to the onslaughts of "loss-leader" practitioners. Of course, we feel that the ultimate to be sought for our industry is the use of fair trade contracts. But in the interim, we desperately need some stop-gap legislation to outlaw price-cutting. This is true likewise for so many of the other distributive trades.

One of the chief obstacles in the progress of fair trade was the haphazard manner in which the Resale Price Maintenance Laws were drafted. Here too, in the field of state Unfair Sales Acts, there has been much divergent expression. We sincerely believe that our proposed act drawn by Siegfried F. Hartman, who had the assistance of Malcolm L. Fleischer, our executive secretary and the practical suggestions of myself and Joseph Kolodny, executive-secretary of the National Association of Tobacco Distributors, Inc., represents the best thought on the subject. Our proposal is by no means original, rather it is a combination of the provisions of the two types of unfair sales acts already on the statute books of some twenty states.

You are, undoubtedly, familiar with the provisions of the so-called 2 per cent. and 6 per cent. unfair sales act enacted in several states, and passed in Pennsylvania and New York but vetoed by Governors James and Lehman respectively. It is well-known that this same bill will again be advocated in the industrial states. While we do not object to the purpose of the 6 per cent. mark-up bill, we feel that it does not accomplish the results which would be most beneficial to our industry. Under the cost provisions of *our proposed bill,* the floor won't stop at a 2 per cent. or a 6 per cent. mark-up but by diligent application of trade associations and with the aid of the courts will be elevated to a mark-up equivalent to the *cost of doing business of the efficient retailer and wholesaler.*

This act was drafted with the thought in mind of not only eliminating the evil of the "loss-leader" practice but its objectives are set forth in a manner that should seem modest and reasonable to the legislators who must, in the last analysis, be convinced of its practicality.

This proposed act borrows the California Anti-Discrimination Act definition of "cost" and in order to insure easier enforcement develops two presumptions, one on the cost of doing business and the other on "intent to injure a competitor or destroy competition." It likewise has many improved enforcement features. We realize that the greatest difficulty with this type of fair trade law is the ability to develop the definition of cost. We do feel, however, that with the many cost definition surveys undertaken by the Federal Government and such impartial statistical agencies as Dun & Bradstreet this problem is not insurmountable. I think that we shall see the development of a body of case law on the cost angle in the states having unfair sales acts that should considerably improve the effectiveness of this type of statute. The thing that appears paramount to us at this time is that unfair sales acts are definitely going to be enacted in a great many more states and it is incumbent upon us who are sincerely interested in the fair trade movement to develop the best possible statute.

That we have made some progress is evident by the introduction of our proposed unfair sales act (Senate Int. No. 200) on January 11, 1940 in the New York State Senate by Senator Joseph Esquirol. We have been instrumental in forming an inter-trade industry committee in New York to enlist the co-operation of all distributive groups behind this proposal.

It is our opinion that we should concentrate our efforts for this type of legislation in the States of New York, Illinois, New Jersey and Ohio, as the legislatures of these states meet this year.

PREMIUM STORE WINS PRAISE

The new Brown & Williamson Tobacco Coporation's store for the redemption of Raleigh and Kool cigarette coupons in New York City recently received high praise from the architectural and design expert of "The New Yorker" magazine, Lewis Mumford. The store, located on East Forty-sixth Street between Madison and Fifth Avenues, was opened for business late in 1939.

"Both in conception and in detail," wrote Mr. Mumford, "the B & W building is a good example of what a modern shop can be. Instead of taking Ali Baba's cave as their model the architects, Walker & Gillette, have made their interior as full of daylight as a northern exposure will permit. Hence a glass front, consisting of square panels held by flat golden bars at the top, and a well-proportioned, unbroken window below. The Venetian blinds on the upper part temper any overhead glare.

"There is a setback above this panel, faced with square stone blocks, serving as a background to the large gold letters which advertise the brands of cigarettes which carry the coupons. In unskilled hands, the lettering might have been offensive, but so well are the letters shaped that they are an integral part of the design of the building—its only decoration, in fact.

"The interior of the B & W building is good, too, chiefly because the artificial lighting is no less adequate than the natural, and because the decorative elements—the wood-veneer walls and the well-lighted showcases—have been done with such intelligent restraint."

Brown & Williamson officials report that traffic in the store on some days has exceeded a thousand persons exchanging coupons for merchandise.

NATD Convention Breaks All Records

BIGGER, better and brighter then ever, the eighth annual convention-exhibit of the National Association of Tobacco Distributors, at the Palmer House, Chicago, January 17 to 20, inclusive, attracted the largest attendance, created the greatest enthusiasm, covered more territory, embodied more features, and achieved more constructive good for tobacco wholesalers and allied branches of the industry than any of its predecessors.

An undertaking of such scope and size could not have attained its measure of success were it not for the praiseworthy co-operation of the suppliers of tobacco and allied products; the wholesale distributors who went to Chicago from virtually every State of the Union; the generosity of the trade press; the hospitality of the City of Chicago and all its accredited officials; the retail trade; the N. A. T. D. Club for Women; the junior executives, and each and every participant.

On behalf of its members, officers and directors, the industry at large, Joseph Kolodny, executive secretary, expressed deep appreciation and heartfelt gratitude. The fine decorum, the orderliness and the general demeanor of all present made possible a program which for its vastness and magnitude had no precedent, in a manner which stands out as a wholesome tribute to all the divisions of the industry and allied trades.

As a tribute to the vastly bigger part the younger men now occupy on the industrial horizon, and as recognition of the greater importance and responsibility that the young men are assuming in the tobacco industry and allied trades—a Junior Executives Division of the N. A. T. D. came into being at the convention.

The element of time did not permit the formulation of a definite program. This duty will devolve upon the newly elected officers and the junior executives' directorate, which is now in the course of designation.

The general demeanor, constructive approach, fine behavior, and the eagerness to further plans for the elevation of the industry's standards, as demonstrated by the young men who attended the special junior executives' sessions, stand out forcibly as a credit to the future leaders of our industry and those of allied trades.

The following sterling young men have been entrusted with the huge task of building a militant young men's group:

President, Charles Dearstyne; vice-president, Herman Cassell; treasurer, Monroe Lewis; secretary, David Vipond.

The character of the Junior Executives' Division will differ somewhat from that of the N. A. T. D. in that it will extend the privilege of membership to the junior executives of every division of our industry and allied trades. There is no line of demarcation of the problems confronting the executives of tomorrow. Unity of purpose among all young men should augur well for the future of themselves and the entire industry.

It is quite apropos to note that this is the first offspring of its type in the sphere of trade association activity.

Following were among the resolutions adopted:

Whereas, it is universally recognized that wholesale distributors cannot carry on their business if compelled to operate only forty hours per week, and that compliance on their part with the provisions of the Fair Labor Standards Act of 1938 would not shorten the number of hours per week during which, in the interest of their retail customers, they must continue their business activities, but would simply result in an unbearable increase in the already generous scales of wages now paid by wholesale distributors; and

Whereas, as was anticipated prior to its enactment, and has been demonstrated by experience subsequently thereto, the Fair Labor Standards Act of 1938, through its maximum hour provisions, imposes great hardship upon all wholesale distributors who are subject thereto for the reasons, among others, that wholesale distributors, in order to render adequate service to retailers, must be in a position to supply them with spot goods during substantially all of the time in which retail stores are open; that the wholesale distributor already pays high wages, operates on a very narrow margin of profit, and would be unable to pass on to his customers the greatly increased cost of operation resulting from time and a half payments for the time necessarily worked by his employees in excess of forty hours per week, and that uneconomical overtime provisions will tend to weaken and impair highly essential and efficient distribution facilities; and

Whereas, the officers of this association have been co-operating with other wholesale groups embracing the Council of National Wholesale Associations for the purpose of securing for wholesale distributors and their customers relief from the inequitable hardships imposed by the act and the harmful effects it will have on wholesale distribution costs and service to the retailer; and

Whereas, this association, in co-operation with the council, proposes to sponsor an amendment to the act which will exempt employees of wholesale establishments from the provisions relating to maximum hours (though not from the provisions relating to minimum wages),

Now, Therefore, This Association, in Convention Assembled, does hereby emphatically endorse the action taken by the officers of this association and hereby conveys to the Congress of the United States its earnest hope that the Fair Labor Standards Act of 1938 will be amended as proposed so as to exempt wholesale distributors, as well as retailers, from the hours limitations of the act and thereby remove from the current of the distribution of this country's goods a serious obstacle, the continued existence of which would seriously impair the entire distribution machinery of the United States.

Whereas, Bayuk Cigars, Inc., has contributed toward the success of this convention by its interesting and edifying Bayuk Bulletin published and distributed daily during the convention,

Now, Therefore, this association, in convention assembled, hereby expresses its appreciation to Bayuk Cigars, Inc., for its interest in these proceedings and its co-operation in disseminating among the attending members spot news and helpful information.

WHEREAS, State laws permitting resale price maintenance are now in effect in forty-four States of the United States, and the immunities granted by the said laws have been availed of by numerous producers and owners of trade-marked goods, with the result that destructive price-cutting and the pernicious use of these articles as loss-leaders have been eliminated to the benefit of the consumer, as well as the manufacturer, wholesaler and retailer; and

WHEREAS, these laws in their operation have proven generally beneficial to the community at large in stabilizing prices, insuring a living profit to the independent retail distributor to compensate him for the economic service he renders to the community, and in stamping out the practice, deceptive to the public, of exploiting trade-marked goods at low prices so as to create the false impression of general low prices of all other merchandise handled; and

WHEREAS, the Congress of the United States enacted the so-called Tydings-Miller Law, which in effect merely implements the aforesaid State laws by removing possible penalties under the Federal anti-trust laws upon those availing themselves of the provisions of the State acts; and

WHEREAS, at the instance of persons interested in destructive price-cutting, a movement has been launched to secure the repeal of the Tydings-Miller Law; and

WHEREAS, the Tydings-Miller Law is only supplementary to the aforesaid State statutes, declaring the public policy of States, none of which has in any way questioned the beneficial results of this legislation or attempted its repeal, but which have on the contrary shown every disposition to enforce and promote the constructive economic effects thereof,

Now, THEREFORE, THIS ASSOCIATION IN CONVENTION ASSEMBLED does earnestly exhort the Congress of the United States not to entertain or countenance any efforts to sabotage the Tydings-Miller Law but on the contrary to continue to recognize and conform with the public policy and legislative planning, as expressed by the law-making bodies and the courts of the said forty-four States, and therefore to refrain from interfering with or obstructing said public policy by questioning in any way the beneficial character of the Tydings-Miller Law, and does hereby authorize and instruct its proper officers to convey the sentiments of this association to the Congress of the United States, both by sending a copy hereof to the various members of Congress and also by personal appearance before any and all committees which may consider the matter.

WHEREAS, the tobacco industry, since 1921, has undergone many crises, and chaotic conditions through price-cutting practices have caused many wrecks in the branch of distribution, both retail and wholesale, and

WHEREAS, in American business life, in great moments of distress, there invariably arises some great figure to lead industry back to the true course of sanity and service, and

WHEREAS, a single individual in the tobacco industry had the courage of his convictions and spoke out boldly against evil practices aforementioned, and virtually single-handed created a movement in 1932 which brought into being the N. A. T. D. Association, and

WHEREAS, in the short space of seven years, this individual, by virtue of his courage, his sagacity, his untiring efforts, his dynamic personality, and his great yearning to so serve as to benefit all with whom he comes in contact, has brought from an humble degree to the point of honor it enjoys today the N. A. T. D., and

WHEREAS, the results we have enjoyed in this, our eighth annual convention, to the point where scores of the principal manufacturers are assembled in fellowship with hundreds of their customers exchanging and interchanging ideas and plans for their mutual benefit, and

WHEREAS, all these great benefits are largely resultant from the zeal and enormous work accomplished by the said individual, who is lovingly known to us one and all by the name of "Joe,"

Be It Resolved by This Convention, in a rising vote of acclamation, that our executive secretary, Mr. Joseph Kolodny, has earned the devotion and thanks of us, one and all, and we herewith go on record that he has earned and deserves a lifetime position of executive secretary of the great N. A. T. D., and may he have many years with us in which to continue and bring to full fruition the great work to which he has unselfishly dedicated the best years of his life.

In view of the expanded scope of the association's activities, the number of directors has been increased from twenty-two to twenty-five. The constitution has been amended accordingly. The 1940 directorate consists of the following: Henry J. Pinney, president; J. Renz Edwards, treasurer; Joseph Kolodny, secretary; Allan C. Davis, chairman of the board.

Vice-presidents: E. C. Dearstyne, Sam N. Grossman, Alex Schwartz, Jonathan Vipond, Fred Winter.

Directors: Charles F. Becker, R. D. Burnett, II, Edward Grauer, David Gross, Henry Gunst, Emil Harms, E. W. Harris, Claude Harrison, Clarence D. Hunter, C. B. Leidersdorf, Alvin Linker, Sylvian Mirsky, Jesse N. Newman, Moses Packer, Arthur F. Schultz.

Pre-eminent among the vitally important addresses delivered at the convention was a most comprehensive analysis of the wholesale tobacco distributor's position in the economic set-up.

Joseph Kolodny, executive secretary of the N. A. T. D., in preparing it, took as his basic source material findings of Paul W. Stewart and J. Frederic Dewhurst, aided by Miss Louise Feld, presented in the new and highly praised book "Does Distribution Cost Too Much?" published by The Twentieth Century Fund.

This address, by virtue of its analytical value is a yardstick by which to measure future trends in profitable wholesaling of tobacco and allied products.

Following was the convention program:

WEDNESDAY, JANUARY 17, 1940.

12:45 P. M.—1. Official opening of the convention-exhibit by Mayor Edward J. Kelly, of Chicago.

2. Presentation of gift to the Mayor.

3. Registration of convention delegates.

8:00 P. M.—Dr. I. O. Broadcast (including prizes). Music, dancing, entertainment, informal "get-together."

THURSDAY, JANUARY 18, 1940.

9:30 A. M.—First session of convention.

1. Welcoming address by Vice-President Sam Gross of Chicago.

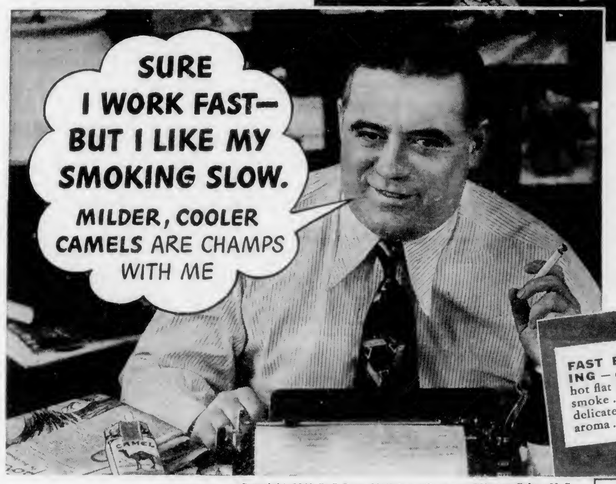
2. President Pinney's address.

3. Remarks by Chairman of the Board Allan C. Davis.

(Continued on Page 12)

"I GET
EXTRA MILDNESS
EXTRA COOLNESS
EXTRA FLAVOR
in slower-burning Camels," says Bill Corum,
famed sports writer and columnist

LIGHTNING-FAST in the press-box! Bill Corum's been known to file 3,000 words during a single sports event. But no speed for him in his smoking—slower-burning Camels are Bill Corum's cigarette. He likes that extra mildness, coolness, and flavor.



Here's Bill at work in his office. Bill... typewriter... books... pictures... and *Camels — slow*-burning Camels. "I find them milder and cooler—and thriftier," he says. Being a Camel fan of many years' standing, he ought to know.

Copyright, 1940, R. J. Reynolds Tobacco Company, Winston-Salem, N. C.

BILL CORUM'S sports news isn't just printed...it's *sprinted*...at lightning speed from press-box to press and the Five-Star Final. But when the camera catches Bill in his office with a cigarette—well, "No speed for me in my smoking," he says.

His own common sense and smoking experience tell him what scientists have confirmed in their research laboratories—that "slow-burning cigarettes are extra mild, extra cool, fragrant, and flavorful." Cigarettes that burn fast just naturally burn hot. And nothing so surely wrecks the delicate elements of flavor and fragrance in a cigarette as excess heat. The delightful mildness, coolness, fragrance, and flavor of Camels are explained by this important finding—Camels proved to be the *slowest*-burning cigarette of the sixteen largest-selling brands tested! *(The panel at right explains the test.)*

In recent laboratory tests, CAMELS burned 25% *slower* than the average of the 15 other of the largest-selling brands tested—slower than *any* of them. That means, on the average, a smoking *plus* equal to

5 EXTRA SMOKES PER PACK!

MORE PLEASURE PER PUFF... MORE PUFFS PER PACK!

Camels — *the cigarette of Costlier Tobaccos*

Report of Cuban Tobacco Exports

CUBAN tobacco exports in November 1939 were valued at $1,061,689, in comparison with $1,161,382 in the preceding month, and $1,175,563 in November 1938. As stated in a review of Cuban official statistics from the American Consulate General, Habana, made public by the Tobacco Division, Department of Commerce, the war in Europe has accentuated the crisis in the Cuban tobacco industry by cutting off its more lucrative markets. Thus, tobacco exports to Germany ceased entirely during the two or three months preceding November 1939; those to Italy and France were inconsequential, while exports to Great Britain, Cuba's second best market, had dropped over 30 per cent. when comparing the eleven-month period of 1939 with the similar period of 1938.

Heavy shipments of stemmed leaf tobacco and cigars to the United States in November 1939 failed to halt the downward trend in Cuban tobacco exports, the total value of exports for November being almost 10 per cent. less than those of November 1938. Spain was a large purchaser of filler tobacco of a low grade. The Netherlands likewise increased its purchases of filler tobacco and cigars. The heavy American, Spanish and Netherlands purchases of stemmed leaf and filler tobacco actually caused an increase in the total volume of Cuban leaf exports in November 1939, as compared with November 1938. However, the average price received for leaf tobacco in November 1939 was only 72 cents per kilogram, compared with 89 cents in November 1938, as a result of which decline in price there was an actual decrease in value received for leaf tobacco, if the totals for the periods are compared.

The tobacco export trade of Cuba with the United States in November 1939 was valued at $613,662, as against $810,334 in October 1939, and $753,445 in November 1938. Shipments to the United States in November 1939 were as follows: 18,521 pounds of wrapper tobacco, valued at $21,549; 91,173 pounds of filler, valued at $44,071; 708,146 pounds of stemmed leaf, valued at $439,109; 193,090 pounds of scrap, valued at $54,874; 493,477 cigars, valued at $54,025, and 11,200 cigarettes, valued at $34.

Notwithstanding the fact that the value of Cuban tobacco exports during the first eleven months of 1939, when compared with the same period of 1938, shows a decline in value of approximately $300,000, there were actually some items which advanced not only in quantity but likewise in value during the 1939 period, namely, stemmed leaf and scrap tobacco. As a result of this increase, total shipments of leaf show an improvement of nearly 480,000 pounds, when comparing the eleven-month periods of 1938 and 1939. However, the total value received for leaf declined, due to a drop in the average price received for this type of tobacco, and especially to the decrease in price received for the better grades of wrapper tobacco. Exports of wrapper fell slightly more than 22,000 pounds in volume and approximately $165,000 in value. Cigar, cigarette, and smoking tobacco shipments also declined in both quantity and value.

Cuba's tobacco export trade with the United States during the first eleven months of 1939 was valued at $8,166,333, in comparison with $7,879,708 during the corresponding period of 1938, representing 63 per cent. of the value of total Cuban tobacco exports in the 1939 period, compared with 60 per cent. in the January-November period of 1938. The volume of Cuban leaf exported to the United States showed a gain of 10 per cent. over the amount shipped in the first eleven months of 1938, due to increased shipments of stemmed leaf and scrap. Cuban cigarette exports to the United States registered an outstanding gain during the 1939 period, cigar shipments advanced 30 per cent., and exports of smoking tobacco increased 8 per cent., in comparison with the first eleven months of 1938.

The European condition had not, up to the end of November 1939, caused any great statistical change in the relative rank of the Cuban tobacco export markets, due to the fact that the conflict did not start until September 1939, by which time all of Cuba's leading customers had made heavy purchases. Therefore, statistics for the first eleven months of 1939 show Germany as still being Cuba's fifth best customer, after the United States, whereas, in fact, Germany had purchased no Cuban tobacco in the preceding three months. The United Kingdom ranked next to the United States as a tobacco market, but may lose this position to Spain should the war continue far into 1940. However, exports to the United Kingdom, which fell to the low figure of $66,000 in October 1939, mounted to almost $112,000 in the following month (November). Cuba is likewise in danger of losing its French market, tobacco exports to France during September-November 1939 being negligible.

R. J. REYNOLDS EARNINGS

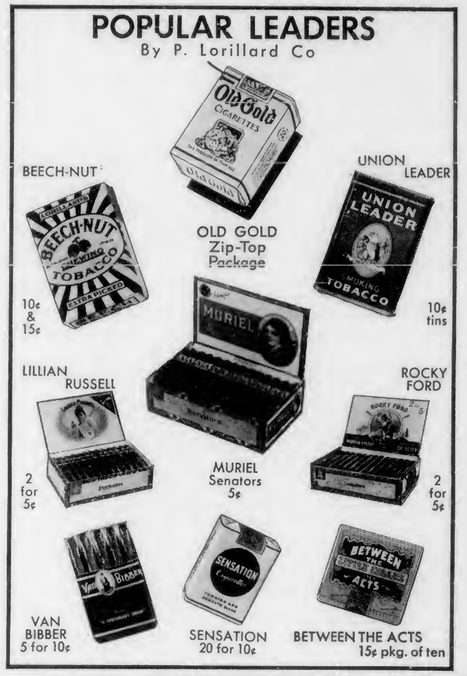
ANNUAL financial report of R. J. Reynolds Tobacco Company released Friday by James A. Gray, president, disclosed net earnings of $25,645,455 for 1939, after provision for depreciation, taxes and all other charges. This was equal to $2.56 each on the combined 10,000,000 shares of common and Class B stocks outstanding. In 1938, company made $23,734,305, or $2.37 each on the same number of shares, or $1,911,150 below 1939.

Net sales for the year amounted to $276,730,009, against $282,265,015 the year before. In his letter to stockholders, Mr. Gray stated that the sales volume in the final quarter of last year showed a substantial increase over the corresponding three months of 1938.

Balance sheet of December 31, 1939, showed current assets of $150,280,356, including $4,046,095 cash, while current liabilities were $13,476,747. At the close of 1938 current assets stood at $150,863,139, of which $4,681,972 was cash, and current liabilities amounted to $14,763,940.

Inventories at the year-end aggregated $139,024,656, less a reserve of $2,809,279 for contingent carrying charges. This item, at the end of 1938, was $139,057,724, less a reserve for contingent carrying charges of $2,663,541.

Undivided profits of the company on December 31, 1939, were $45,233,075, against $41,584,967 a year



New Year's Resolution for Jobbers, Salesmen and Dealers—

"Don't Put Off Humidifying!"

Smokers who appreciate good cigars won't stand for dry cigars.

Don't let dry cigars turn away business. Don't let your customers go down the street! Get the business yourself! Make sure your stock is properly humidified. Make sure your cigars are in good condition *always!*

Artificial heat is usually dry heat. Overcome this dryness! Humidify now! Make the most of winter by keeping your stock in *better* condition than the stock of your competitors!

Put your cigars in a humidified case every night. Keep your customers satisfied! Keep them coming back to *you* for cigars the way they like them!

Sell GOOD cigars in GOOD condition

EL PRODUCTO
CIGARS
for real enjoyment

G.H.P. Cigar Co., Inc., Philadelphia, Pa.

Once More KING EDWARD Makes The CIGAR HEADLINES of the Year

NEWS OF THE CIGAR WORLD

KING EDWARD SHOWS 60,000,000 INCREASE OVER RECORD 1938 SALES

For the sixth consecutive year America's largest selling cigar has touched a new peak. Sales in 1939 topped 1938 by 60,000,000, adding another chapter to a brilliant story of progress in sales, production and plant expansion.

Year after year KING EDWARD forges ahead in the esteem of America's smokers, reaching new heights in popularity . . . making greater profits for jobbers and dealers.

Make money and please customers with KING EDWARD!

★ *King Edward factory as it appears today after the second major expansion in four years. The right section shows the original factory building. The center section is the 1935 addition. The extreme left section was added during the $400,000 expansion program last year. The King Edward nursery and roof playground occupy the top floor of the left section.*

JNO. H. SWISHER & SON, INC.
Cigar Manufacturers — JACKSONVILLE, FLORIDA

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

Brown & Williamson Tobacco Corporation

TUNE IN—*"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday*

UNION MADE

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1873

NIC. ALTHAUS CO
MANUFACTURERS OF
HIGH GRADE CIGAR BOXES
CEDAR SAW MILLS — BAND PLANING MILLS
LABELS, RIBBONS, CIGAR MAKER'S SUPPLIES
637-641 EAST 17 ST. NEW YORK

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

previously. Added to the item of undivided profits at the end of 1939 was the sum of $1,002,653 covering transfer from reserve for contingencies. Under a recent decision of the United States Supreme Court relating to certain company tax matters which had been at issue for some years, this reserve is no longer needed, and was, therefore, transferred to undivided profits, the report states.

Out of 1939 earnings the sum of $2,000,000 was retained for payment of the serial note due on April 10, Mr. Gray explained to shareholders.

"In a letter to stockholders a year ago," he said, reference was made to the issuance to an insurance company in 1938 of $20,000,000 in notes payable in instalments of $2,000,000 a year from 1940 to 1949, inclusive, at an interest rate of 2.45 per cent. At the end of 1939 these notes were outstanding as follows: $2,000,000 due for retirement in 1940 and $18,000,000 due in equal installments serially 1941-1949, inclusive.

"On January 5, 1940, this indebtedness was transferred, with no premium paid in retirement of the previous loan, to three of the company's depository banks to run in the same annual installments and to the same maturity dates as originally provided, at an interest rate of 1.75 per cent. The transfer of this debt with the securing of the lower interest rate will result in a substantial saving to the company over the period of years."

CONVENTION BREAKS RECORD

(*Continued from Page 8*)

4. Secretary Kolodny's report.

5. Symposium on issues involved in Federal Trade Commission complaints.

6. Selective distribution—does it offer a solution to the distributors' problems?

2:30 P. M.—Round-table conferences on these subjects:

(a) "Are wholesale tobacco distributors' methods of operation detrimental or beneficial to the candy industry? What are the requisites for successful promotion of confectionary products?"

(b) "Are cigarette vending machines capable of withstanding the constantly growing onslaughts of state and city imposts and other tax levies?"

(c) "What is considered adequate compensation for affixing state and city tax stamps? Should the manufacturers be encouraged to affix state and city tax stamps?"

(d) "What are the essential factors in training the distributors' sales staffs to fully perform the sales and auxiliary services required by changing business trends? In a well-organized distributing establishment, what are the complete selling and auxiliary functions of a salesman?"

(e) "Is it incumbent on wholesale tobacco distributors to combat state and city tobacco taxes?"

(f) "It is generally recognized that the extension of credit to retail trade is predicated on confidence rather than on commercial rating. What can be done toward the adoption of a more comprehensive method of credit extension to retail accounts?"

(g) "Can service distributors be expected to further the sales of nationally advertised tobacco products when their financial returns on such goods are inadequate to recoup the actual cost of operation?"

(h) "What can be done to reduce the high percentage of sales of controlled products (especially cigars) through sub-jobbers?"

First junior executives' session.

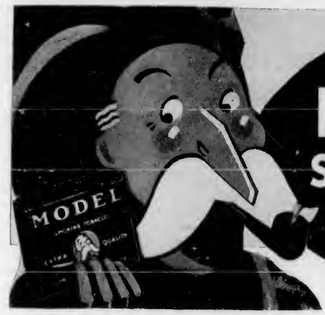
8:00 P. M.—Ladies' carnival and reception night.

FRIDAY, JANUARY 19, 1940.

9:30 A. M.—Seven round-table conferences on following subjects:

(a) "Would the price stabilization of nationally advertised brands permit the survival of inefficient wholesalers?"

(b) "Why should cigars in 1/40ths be sold at same price as 1/20ths?"



Compare
MODEL'S SMOKING QUALITIES
with ANY TOBACCO *at* ANY PRICE

HOWARD & SHELTON
Presented by
MODEL TOBACCO
Every Monday Night, Coast to Coast C. B. S. See Local Papers for Time

UNITED STATES TOBACCO CO.
630 Fifth Avenue, New York, N. Y.
Factories
RICHMOND, CHICAGO, NASHVILLE

(c) "Have the semiprivate brands of the tobaccos, featured extensively by distributors during recent years, justified the efforts expended to promote them?"

(d) "What should be done to increase the sale of cigars retailing at ten cents and more?"

(e) "It is generally conceded that the merchandising technique employed by a majority of the small independent merchants is in dire need of improvement. What can the wholesale distributor do to help correct this condition?"

(f) "Changing trends in blade marketing—what merchandising technique is best adaptable to keep abreast with these changes?"

(g) "Changing trends in pipe marketing—what merchandising is best adapted to keep abreast with these changes?"

(h) "How can the cigar manufacturers and their distributors cooperate best in educating the retailer to keep his entire stock of cigars in the best and freshest condition?"

2:30 P. M.—1. Report of chairmen of round-table conferences.

2. State taxation on tobacco products—where will it end?

3. Symposium on "Are the Unfair Trade Practice Acts beneficial to the wholesale and retail tobacco distributors?" conducted by Clarence D. Hunter of Joseph P. Manning Co., Boston, Mass.; Henry Gunst of Cliff Weil Cigar Co., Richmond, Va.; Sylvian Mirsky of B. Mirsky & Son, San Francisco; Stanley Stacy of Cavalla Tobacco Co., Milwaukee; Fred Winter of Winter Cigar Co., Denver.

4. National versus local organization—how can they collaborate?

5. The Wage & Hour Act—what is its present status?

8:00 P. M.—Amateur show and dance contest.

SATURDAY, JANUARY 20, 1940.

9:30 A. M.—1. Reports of chairmen of round-table conferences.

2. Adoption of 1940 platform for N. A. T. D.

3. Report of nominating committee.

4. The middleman's position in the modern scheme of distribution—is he needed?

5. Open forum.

6. Quiz contest between two teams—manufacturers and distributors.

7:30 P. M.—Banquet and reception. Dinner service commences punctually at eight o'clock.

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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

TWO SIXTY:—46,761. For pipe tobacco. Registered by Norman Smith, Philadelphia, Pa., on January 5, 1940.

TRANSFERRED REGISTRATIONS

WM. BRADSTREET:—18,174 (Tobacco World). For cigars, cigarettes, chewing and smoking tobacco. Registered on July 15, 1909, by Moehle Litho. Co., Brooklyn, N. Y. Through mesne transfers acquired by Bernard Schwartz, Detroit, Mich., and re-transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., on October 1, 1939.

BRADSTREET:—42,001 (Tobacco Merchants Association of the U. S.). For all tobacco products. Registered by Bernard Schwartz, Detroit, Mich., on January 4, 1921. Transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., on October 1, 1939.

EDDIE EDENBURN:—46,441 (Tobacco Merchants Association of the U. S.). For all tobacco products. Registered by Bernard Schwartz Cigar Corp., Detroit, Mich., on April 12, 1935. Transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., on October 1, 1939.

LA GRATA:—9,735 and **45,810** (United States Patent Office). For cigars. Registered December 17, 1902, and August 29, 1905, respectively, by S. C. Herbst Importing Co., Milwaukee, Wis. Through mesne transfers acquired by J. Kerns, Inc., Milwaukee, Wis., and re-transferred to Schwartz Bros. Cigar Co., Philadelphia, Pa., on December 8, 1939.

ALCAZAR:—66,710 (United States Patent Office). For cigars. Registered on December 24, 1907, by Louis Kindling Co., Milwaukee, Wis. Through mesne transfers acquired by J. Kerns, Inc., Milwaukee, Wis., and re-transferred to Schwartz Bros. Cigar Co., Philadelphia, Pa., on December 8, 1939.

LA EXCEPTION DE CASPARINO:—35,573 (United States Patent Office). For cigars. Registered April 2, 1929, by Gustav A. Otto, Brooklyn, N. Y. Transferred to John C. Bruns, Brooklyn, N. Y., and re-transferred to Henry Burge, Brooklyn, N. Y., on December 20, 1939.

F & D:—44,175 and **200,145** (United States Patent Office). For cigars and all tobacco cigarettes. Registered February 14, 1905, and June 23, 1925, by Fitzpatrick & Draper, Troy, N. Y., and Kingston, N. Y., respectively. Through mesne transfers acquired by Continental Cigar Corp., Scranton, Pa., and re-transferred to The Deisel-Wemmer-Gilbert Corp., Detroit, Mich., on January 18, 1940.

Internal Revenue Collections

Source of Revenue	December 1939	December 1938
Cigars	$ 811,626.07	$ 850,463.29
Cigarettes	38,410,375.21	37,970,532.61
Snuff	534,315.35	611,681.74
Tobacco, chewing and smoking	3,796,191.14	4,271,084.19
Cigarette papers and tubes	149,528.42	110,813.46
Leaf dealer penalties	85.00	277.80

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of October

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	4,369,593	+ 25,287	0.58
Twist	518,382	+ 74,046	16.66
Fine-cut Chewing	373,467	+ 15,102	4.21
Scrap Chewing	3,827,380	+ 1,675,942	77.90
Smoking	19,659,708	+ 1,988,963	11.26
Total	28,748,530	+ 3,779,340	15.14

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Ten Months Ending October 31

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	43,874,578	— 2,480,332	5.35
Twist	4,769,346	+ 368,530	8.37
Fine-cut Chewing	3,824,911	— 98,431	2.51
Scrap Chewing	34,934,019	— 841,303	2.35
Smoking	170,364,701	+ 5,518,037	3.35
Total	257,767,555	+ 2,466,501	0.97

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

HENRY RITTER

Henry Ritter, head of the Ritter Cigar Box Company, 3428 Mack Avenue, Detroit, and an active figure in the cigar box manufacturing field for many years, died on the night of January 4th. He was buried on January 8th from his home, 571 East Grand Boulevard, Detroit. His passing was mourned by a host of friends among cigar manufacturers, as well as in his own industry.

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TOBACCO WORLD

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1940 LOOKS LIKE A GOOD TOBACCO YEAR

Tax-paid withdrawals of tobacco products so far this season indicate increased domestic consumption of cigarettes, cigars, and smoking mixtures, but a continued decrease in consumption of chewing tobaccos. In the six months ended December 31, 1939, cigarette withdrawals were 5.3 per cent. higher than in the same months of 1938, while cigar withdrawals were 2 per cent. higher. For the calendar year 1939, withdrawals totaled 172,473,000,000 cigarettes (a new all-time high) and 5,510,000,000 cigars. With some increase of industrial production and employment in prospect for the year 1940 as a whole, consumption of tobacco products may be somewhat higher than in 1939. January made a good start in that direction.

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HOBART B. HANKINS—*Editor*

Business Manager—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 MARCH, 1940 No. 3

FROM 1900 through the World War, the trend in per capita consumption of tobacco products in the United States was upward, but since then changes in consumption have represented shifts among products rather than an increase in the total quantity per capita. Throughout the entire period the trend of total consumption has been upward. The year to year variations in per capita consumption are rather closely correlated with changes in business activity. During periods of reduced industrial production and employment there has been a shift from the more expensive to less expensive products, as well as a decrease in the total quantity consumed per person. During such periods, the shift has been away from cigars and toward the lighter cigarette smokes.

▲

LARGE supplies, greatly reduced exports and materially lower prices for some types compared with prices in 1938, are the major factors in the 1939-1940 tobacco situation. Preliminary estimates on the 1939 record crop, amounting to 1770 million pounds, indicate an average price of about 15.3 cents, bringing to growers approximately 270 million dollars for the crop. The 1938 crop of 1376 million pounds averaged 19.7 cents, and also brought growers approximately 270 million dollars. Thus the effect on growers' returns of the increased quantity marketed in 1939 was just about offset by the lower prices resulting from the larger supplies and reduced export outlets.

▲

PRODUCTION of flue-cured tobacco in 1939 was the largest on record, 42 per cent. larger than in 1938. Flue-cured is more dependent on export markets than other types, and hence was most affected by the decrease in exports. The season average price for flue-cured up to January 1st was 15.4 cents, a marked decline from the 1938 season average price of 22.2 cents. Not all of the Burley crop has been sold, but preliminary indications are that the season average price will be near 17.5 cents per pound, compared with the season average price of 19 cents in 1938. The Burley crop was only 6.6 per cent. larger than in 1938, not nearly so large an increase as for flue-cured. Since exports of Burley represent a much smaller proportion of total disappearance than for flue-cured, the decline in export outlets has had less effect upon prices. Prices of the dark tobaccos and cigar types as a whole have been slightly higher so far this season than a year earlier. The supplies of fire-cured, dark air-cured, and cigar types are more nearly in line with disappearance than in recent years.

EXPORTS of United States tobacco have been greatly reduced as a result of war-time influences. British restrictions on the use of dollar exchange, and later an embargo (effective January 1, 1940) against imports of American tobacco, resulted in the complete stoppage of tobacco exports from this country to the United Kingdom. To avoid the disruption of markets threatened by these conditions, especially with respect to flue-cured tobacco, the Commodity Credit Corporation advanced funds for the purchase of tobacco normally taken by the British trade. This tobacco will be stored in United States warehouses subject to the option of British tobacco interests. The options extend to July 1, 1941. The principal type affected is flue-cured, for which the United Kingdom is the largest foreign market.

▲

THE war has provided difficult problems for the tobacco industry in Great Britain. Stocks of tobacco in British warehouses, according to estimates by local sources of information, are sufficient to meet the demands of manufacturers for only about two and one-quarter years at the present rate of consumption. Should the Government's present policy in preventing importation of American leaf continue, it will probably mean that the British public, on the exhaustion of stocks now in hand, will have to accustom itself to cigarettes and smoking tobacco of practically pure Empire tobacco, which is not under the ban, but it is believed by manufacturers that it will prove impractical to continue a policy that would almost certainly mean a huge loss in income through taxation, and that the bars against importation from the United States will be raised long before existing stocks are consumed.

▲

OF LATE years British tobacco manufacturers have been using increasingly large proportions of Empire tobaccos, thus decreasing their dependence on American supplies, but the public preference is still strongly for "Virginia." In the year 1919, for instance, only 1.01 per cent. of Empire leaf was used by British manufacturers, while in June, 1939, the latest period for which figures are available, the Empire varieties constituted 25.4 per cent. of manufactures. It is said by manufacturers that while the public has been gradually educated to the acceptance of Empire tobaccos in the last twenty years, the elimination of American leaf from their manufacturing processes would present a difficulty that could hardly be overcome.

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Good Gains Registered in January

Cigars, Cigarettes, Large Cigarettes are Marked with Plus Signs in the First Month to Usher in Good Year

JANUARY started out with a bang to prove that 1940 will be a good year in the tobacco industry and trade. Plus signs—and not measly ones, for the most part—are registered for cigars, cigarettes, large cigarettes and snuff; little cigars, however, showed a substantial decline, while chewing and smoking tobacco almost broke even. The figures, comparing January, 1940, with January, 1939, are from the Supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States.

In the total of all classes of cigars, the gains were shared by the products of the United States, the Philippines, and Puerto Rico.

The United States total was 388,084,997, as compared with 349,497,329, an increase of 38,587,668, or 11.04 per cent. The Philippine Islands total was 12,113,126, as compared with 8,764,554, a rise of 3,348,572, or 38.21 per cent. The Puerto Rico figure grew from 14,340 to 32,950. Thus the grand total for all classes reached 400,231,073, as compared with 358,276,223, a jump ahead of 41,954,850, or 11.71 per cent.

Class A in the United States totaled 361,032,300, as compared with 325,108,150, a gain of 35,924,150, the biggest volume gain as usual, and the third largest percentage gain—11.05 per cent. The Philippine Islands increase was from 8,729,230 to 12,099,450, a matter of 3,370,220, or 38.61 per cent. The Puerto Rico product totaled 20,000, as compared with 2340.

Class B in the United States totaled 1,878,857, as compared with 1,897,913, a decline of 19,056, or 1 per cent. Increases in the Philippine Islands and Puerto Rico withdrawals brought this loss down to 0.83 per cent.

Class C in the U. S. was second both in volume of gain and in percentage. The total was 23,724,288, as compared with 21,002,686, a rise of 2,721,602, or 12.96 per cent. A P. I. loss and a P. R. gain changed this to 12.86 per cent. increase.

Class D totaled 1,327,875 in the U. S., as compared with 1,381,724, a drop of 53,849, or 3. 9 per cent., which became a loss of 4.31 per cent. when the P. I. figures were added.

Class E in the U. S. registered the highest percentage and the lowest volume of gain. The total was 121,677, as compared with 107,892, an increase of 14,821, or 13.87 per cent. A P. I. loss reduced this to 12.78 per cent.

Cigarettes in the U. S. totaled 14,567,591,450, as compared with 13,862,907,070, an increase of 704,684,380, or 5.08 per cent.

Following are the comparative figures:

Product	January, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	361,032,300	+	35,924,150	11.05
Philippine Islands	12,099,450	+	3,370,220	38.61
Puerto Rico	20,000	+	17,660	....
Total	373,151,750	+	39,312,030	11.78
Class B—				
United States	1,878,857	—	19,056	1.00
Philippine Islands	4,740	+	2,823	....
Puerto Rico	7,350	+	350	....
Total	1,890,947	—	15,883	0.83
Class C—				
United States	23,724,288	+	2,721,602	12.96
Philippine Islands	8,136	—	17,408	....
Puerto Rico	5,600	+	600	....
Total	23,738,024	+	2,704,794	12.86
Class D—				
United States	1,327,875	—	53,849	3.90
Philippine Islands	800	—	6,027	....
Puerto Rico	.....		.....	....
Total	1,328,675	—	59,876	4.31
Class E—				
United States	121,677	+	14,821	13.87
Philippine Islands	.....	—	1,036	....
Puerto Rico	.....		.....	....
Total	121,677	+	13,785	12.78
Total All Classes:				
United States	388,084,997	+	38,587,668	11.04
Philippine Islands	12,113,126	+	3,348,572	38.21
Puerto Rico	32,950	+	18,610	....
Grand Total	400,231,073	+	41,954,850	11.71
Little Cigars:				
United States	10,702,507	—	4,389,106	29.08
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	10,702,507	—	4,389,106	29.08
Cigarettes:				
United States	14,567,591,450	+	704,684,380	5.08
Philippine Islands	54,400	—	34,960	....
Puerto Rico	.....	—	452,000	....
Total	14,567,645,850	+	704,197,420	5.08
Large Cigarettes:				
United States	205,350	+	21,876	11.92
Philippine Islands	.....		.....	....
Puerto Rico	20,000	—	10,100	33.55
Total	225,350	+	11,776	5.51
Snuff (lbs.):				
All United States	3,213,498	+	15,747	0.49
Tobacco (Chewing and Smoking) lbs.:				
United States	23,528,480	—	187,579	0.79
Philippine Islands	47	+	44	....
Total	23,528,527	—	187,535	.079

Cigars, Cigarettes Ahead in 7 Months

U. S. Cigars gain 2.61 Per Cent. and Cigarettes are Up 5.28 Per Cent. in Fiscal Year's First Reported Period

CIGARS and cigarettes alone placed themselves on the side of the sheep, while all other products were lined up with the goats, during the first seven months of the fiscal year, as compared with the corresponding period a year ago, it is revealed in the withdrawals of consumption recorded in the Supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States. U. S. cigars of all classes were up 2.61 per cent., and U. S. cigarettes were up 5.28 per cent.

In the total of all classes of U. S. cigars, the figure is 3,190,821,583, as compared with 3,109,587,988, a gain of 81,233,595. The P. I. withdrawals totaled 122,551,203, as compared with 105,310,028, an increase of 17,241,175, or 16.37 per cent. The P. R. withdrawals totaled 1,226,450, as compared with 1,124,660, a rise of 101,790, or 9.05 per cent. The grand total was 3,314,599,236, a gain of 98,576,560, or 3.07 per cent.

Class A cigars in the U. S. totaled 2,830,197,895, as compared with 2,737,707,500, an increase of 92,490,395, or 3.38 per cent. P. I. withdrawals totaled 121,981,845, as compared with 104,887,545, a gain of 17,094,300, or 16.3 per cent. P. R. withdrawals rose from 672,310 to 753,300. Total for Class A was 2,952,933,040, as compared with 2,843,267,355, an increase of 109,665,685, or 3.86 per cent.

Class B in the U. S. totaled 25,998,473, as compared with 29,989,443, a loss of 3,990,970, or 13.31 per cent. This loss was reduced to 12.89 per cent. by increases in P. I. and P. R. withdrawals.

Class C in the U. S. totaled 308,408,162, as compared with 316,133,400, a decline of 7,725,238, or 2.44 per cent. A P. I. gain and a P. R. loss did not change this percentage figure.

Class D in the U. S. totaled 22,956,155, as compared with 22,815,387, a gain of 140,768, or 0.62 per cent. A P. I. gain and a P. R. loss changed the increase rate for this class to 0.83 per cent.

Class E in the U. S. totaled 3,260,898, as compared with 2,942,258, an increase of 318,640, or 10.83 per cent. This was raised to 11.33 per cent, by a P. I. gain.

Little cigars dropped from 89,795,153 to 82,079,041, a matter of 7,716,112, or 8.59 per cent.

Cigarettes went up from 97,675,819,081 to 102,836,859,294, or 5.28 per cent.

Large cigarettes lost 2.72 per cent.; snuff, 2.16 per cent.; chewing and smoking tobacco, 0.89 per cent.

Following are the comparative figures:

Product	1st 7 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	2,830,197,895	+	92,490,395	3.38
Philippine Islands	121,981,845	+	17,094,300	16.30
Puerto Rico	753,300	+	80,990	....
Total	2,952,933,040	+	109,665,685	3.86
Class B—				
United States	25,998,473	—	3,990,970	13.31
Philippine Islands	83,711	+	16,551	....
Puerto Rico	153,500	+	91,050	....
Total	26,235,684	—	3,883,369	12.89
Class C—				
United States	308,408,162	—	7,725,238	2.44
Philippine Islands	223,436	+	62,242	....
Puerto Rico	317,450	—	69,150	....
Total	308,949,048	—	7,732,146	2.44
Class D—				
United States	22,956,155	+	140,768	0.62
Philippine Islands	228,070	+	51,354	....
Puerto Rico	2,200	—	1,100	....
Total	23,186,425	+	191,022	0.83
Class E—				
United States	3,260,898	+	318,640	10.83
Philippine Islands	34,141	+	16,728	....
Puerto Rico	.....		.....	....
Total	3,295,039	+	335,368	11.33
Total All Classes:				
United States	3,190,821,583	+	81,233,595	2.61
Philippine Islands	122,551,203	+	17,241,175	16.37
Puerto Rico	1,226,450	+	101,790	9.05
Grand Total	3,314,599,236	+	98,576,560	3.07
Little Cigars:				
United States	82,079,041	—	7,716,112	8.59
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	82,079,041	—	7,716,112	8.59
Cigarettes:				
United States	102,836,859,294	+	5,161,040,213	5.28
Philippine Islands	711,240	—	823,630	....
Puerto Rico	2,252,800	—	149,640	....
Total	102,839,823,334	+	5,160,066,943	5.28
Large Cigarettes:				
United States	1,654,198	—	46,178	2.72
Philippine Islands	200	—	800	....
Puerto Rico	161,000	—	25,261	13.56
Total	1,815,398	—	72,239	3.83
Snuff (lbs.):				
All United States	21,658,129	—	478,133	2.16
Tobacco (Chewing and Smoking) lbs.:				
United States	177,712,959	—	1,592,271	0.89
Philippine Islands	54	+	51	....
Total	177,713,013	—	1,592,220	0.89

Tale of the Wooden Indian

THE cigar store Indian, once a serious form of commercial art, later the butt of many jokes, now is a collector's prize. And the quest for these old figures, now recognized as monuments to a long line of unknown craftsmen, has revealed many interesting facts concerning the tobacco trade. Artists taken from relief rolls for employment on the Work Projects Administration's Index of American Design have located hundreds of those carved figures once to be seen in front of any tobacco shop, and have reproduced them in the collection of drawings and prints of decorative, applied and folk arts of American origin.

Not all the cigar store Indians were artistic—in their hey-day between 1850 and 1880 they were turned out by carvers who in some cases were sculptors and in others hardly better than carpenters. Many however were genuine works of art. A large gilt figure of Joe Brant, chief of the Mohawks, was sent to the Paris Exhibition of 1889, and a figure of Sitting Bull, carved in Wisconsin, was so admired by the real Indians that they brought a treaty to be signed in the presence of the image.

Good, bad or indifferent as the figures were, the cigar store Indian was the first tobacco ad. By 1860 no tobacconist considered his shop complete without one. Pierre Caspari paid $30 for his stock and $40 for his Indian when he opened his store in Baltimore in 1861.

In early days, when illiteracy was all too common and house numbers were unknown, a shop sign was indispensable to any business establishment. Just as the locksmith was identified by the key hanging above his door, the WPA research workers report, so was the tobacconist known by his "Black Boy," "Virginia Man" and other figures. The Indian was not the only figure used by tobacconists; there were also Sir Walter Raleighs, Lord Dundrearys, Punches, Bandmasters, Turks and more than a few Uncle Sams.

The first recorded representation is to be found in Braithwaite's "Smoking Age," published in London in 1617. Lack of records handicaps the presentation of American figures in their chronological order. Probably the oldest, dated 1770, is the small counter, standing with extended snuff box in Lancaster, Pennsylvania. This was carved by a member of the Demuth family which has been in the tobacco trade since that date. Earlier forms are reported but their whereabouts are unknown; and old cupid, the Pocahontas, is said to have stood in Boston in 1730.

Baltimore is reputed to have had figures before 1780, according to the WPA workers. A grotesque little Indian that once hung over the door of a Philadelphia tobacco shop was thought to have been carved about 1790 by the sculptor, William Rush. Another famous carver, Samuel McIntire, is credited with the carving of an Indian that stood for years in Salem at Micklefield's tobacco shop. The Indian owned by the McAlpin Hotel is the oldest figure mentioned as in use in New York City; it appeared about 1840 in the McAlpin tobacco shop on Catherine Street.

It is easy to believe that the first figures were something of a novelty and lent distinction to the early tobacco shops. By 1840, however, there was such a demand for them that carving for the tobacco trade was an industry followed by many skilled figure-head carvers who, with the decline in shipbuilding, turned their talents to carving shop signs.

Two of the largest distributors of cigar store figures were the New York firms of Edward Hen and William Demuth. One of the outstanding carvers was Thomas V. Brooks, who between 1848 and 1860 conducted the only establishment selling exclusively to dealers.

In 1886 carvers received from $4 to $5 daily—and averaged only a foot of work a day. Painters received $2 a day. About a month was required to carve and paint a large, elaborate figure and prices ranged all the way from $10 to $500, or even higher. During the nineties cheap papier mache figures appeared but by then the sun already was setting on the wooden Indian.

Private collectors and museums have rescued the cigar store Indian from the ignominy in which he languished for near half a century. In the WPA American Index of Design he is restored to his merited place in the history of American commercial art.

CIGARETTES IN PUERTO RICO

Puerto Rico's purchases of cigarettes from manufacturers in continental United States last year were the largest of all time, the island having bought 850,400,000 cigarettes during the twelve months, according to a statement by the Puerto Rican Trade Council.

"Sales to the territory were 2 per cent. greater than in 1939, when the previous high record was established," the Council said. "Consumption of U. S. made cigarettes in Puerto Rico now is about 15 times greater than consumption of cigarettes manufactured on the island, whereas in 1927 more than half of the cigarettes consumed in Puerto Rico were manufactured there.

"The island ranked second as a market for cigarettes shipped from the states, buying 11 per cent. as many cigarettes as were exported to all foreign countries during the year.

"Increased employment in the island's sugar industry, resulting from the temporary suspension of sugar quotas, was mainly responsible for the increased buying power and greater demand for cigarettes.

"Shipments of stemmed leaf tobacco from Puerto Rico to the mainland totalled 9,907,000 pounds, a decline of 46 per cent. as compared with the preceding year. However, a considerably greater acreage of tobacco will be harvested during 1940."

Puerto Rico's buying power during 1940 is expected to be somewhat higher than in 1939, according to the statement. Although the output of the island's principal industries continues to be restricted by Federal legislation, expenditures in Puerto Rico for national defense and Federal relief probably will be heavier than in 1939, the Council said.

The island's purchases of all goods from the states totalled $86,450,000, a gain of 7 per cent. over the year before, all of the increase having occurred during the last four months of the year, following the outbreak of the war in Europe, the Council reported. Puerto Rico ranked ninth as a market for all goods shipped from the U. S. mainland, buying more merchandise here than any country in Latin America.

LIKES FLASHING SPEED ON SKIS

but chooses slow-burning Camels for

EXTRA MILDNESS

EXTRA COOLNESS

EXTRA FLAVOR

It takes your breath away even to watch him. Headlong down the steep side of the mountain. A flash of the poles...a perfect telemark turn...and there he goes. That's Bob Bourdon, former Vermont champion. On skis, he's one of New England's *fastest*. But in smoking, he's strictly on the *slow* side. Read what he says *(at right)*.

In the Cannon Mountain Aerial Tramway, Franconia Notch, N. H., Bob Bourdon *(above)* enjoys a *slow*-burning Camel. "No speed for me in my smoking," says this ski champion. "Camels are slower-burning and give me extra mildness, extra coolness, and extra flavor."

● In recent laboratory tests, CAMELS burned 25% *slower* than the average of the 15 other of the largest-selling brands tested—slower than *any* of them. That means, on the average, a smoking *plus* equal to

5 EXTRA SMOKES PER PACK!

Copr., 1940, R. J. Reynolds Tob. Co., Winston-Salem, N. C.

"THE faster the going, the more fun in skiing," says Bob Bourdon. But he has a different angle on cigarettes. When Bob Bourdon says: "Slow burning is my guide to more mildness, more coolness, and more flavor," he's putting the stamp of actual smoking experience on the findings of science.

Fast burning in a cigarette means *heat*. Nothing dulls the delicate elements of cigarette flavor and aroma so surely as excess heat. There's little pleasure in a hot, flat smoke in which the flavor has been burned away.

The extra mildness, refreshing coolness, and that smooth, mellow "I'd-walk-a-mile-for" flavor of Camels are confirmed by recent widely reported scientific tests, in which Camels...the cigarette of costlier tobaccos...burned the *slowest* of the sixteen of the largest-selling brands tested! *(See panel at left.)* So, change to slow-burning Camels and enjoy *extra pleasure* and *extra* smoking...equal, on the average, to five extra smokes per pack.

MORE PLEASURE PER PUFF ...MORE PUFFS PER PACK!

Camels—*the cigarette of Costlier Tobaccos*

Stocks of Leaf Tobacco

STOCKS of leaf tobacco owned by dealers and manufacturers in the United States and Puerto Rico on January 1, 1940, amounted to 2,718,586,000 pounds, compared with 2,342,875,000 pounds on January 1, 1939. From October 1, 1939, to January 1, 1940, total stocks increased 501,890,000 pounds compared with an increase of 115,846,000 pounds in the last quarter of 1938. This unusual increase in stocks is due largely to war conditions and consequent decreased exports.

Stocks of flue-cured tobacco on January 1, 1940, were 1,437,381,000 pounds, as compared with 1,008,192,000 pounds on October 1, 1939, and 1,068,931,000 pounds on January 1, 1939. The stocks of Type 11 were reported as 536,312,000 pounds; Type 12 as 499,504,000 pounds; Type 13 as 292,809,000 pounds; and Type 14 as 108,756,000 pounds on January 1, 1940.

Stocks of fire-cured tobacco were reported as 115,852,000 pounds on January 1, 1940, compared with 144,201,000 pounds on January 1, 1939. None of the current crop of Types 22 and 23, fire-cured tobacco, was marketed prior to January 1, 1940. Virginia fire-cured, Type 21 stocks were reported as 22,045,000 pounds; Type 22 as 69,489,000 pounds; Type 23 as 23,710,000 pounds; and Type 24 as 608,000 pounds.

Burley stocks were about 33½ million pounds higher on January 1, 1940, than they were on January 1, 1939. The January 1, 1940, report shows 677,987,000 pounds. Maryland tobacco, Type 32 stocks, were reported as 35,041,000 pounds on January 1, 1940.

One Sucker stocks on January 1, 1940, were 27,111,000 pounds; Green River, 23,099,000 pounds; Virginia sun-cured, 2,373,000 pounds; Eastern Ohio, 573,000 pounds; Perique, 1,103,000 pounds; Other Miscellaneous Domestic, 682,000 pounds; and Foreign-grown cigarette tobacco (Turkish and other), 116,536,000 pounds.

Stocks of American-grown cigar-filler type tobacco amounted to 145,387,000 pounds on January 1, 1940, a little over 19 million pounds lower than stocks on January 1, 1939. Type 41, Pennsylvania Seedleaf stocks on January 1, 1940, were 78,398,000 pounds, Type 42, Gebhardt, 9,987,000 pounds; Type 43, Zimmer, 12,022,000 pounds; Type 44, Dutch, 9,459,000 pounds; Type 45, Georgia and Florida Sun-grown, 2,744,000 pounds; Type 46, 23,102,000 pounds in the United States, and 9,675,000 pounds in Puerto Rico.

The cigar binder type stocks, some of which are used for wrappers, were about 15 million pounds lower on January 1, 1940, than they were on January 1, 1939. Total binder type stocks were reported as 104,890,000 pounds on January 1, 1940. Type 51, Connecticut Broadleaf stocks were reported as 24,212,000 pounds; Type 52, Connecticut Havana Seed, 23,998,000 pounds; Type 53, New York and Pennsylvania Havana Seed, 2,639,000 pounds; Type 54, Southern Wisconsin, 24,334,000 pounds; and Type 55, Northern Wisconsin, 29,707,000 pounds.

Shade-grown wrapper type stocks were reported on January 1, 1940, as 15,934,000 pounds. Connecticut Shade stocks were 11,949,000 pounds, and Georgia and Florida Shade stocks were 3,985,000 pounds.

The foreign-grown cigar-leaf tobacco stocks in the United States on January 1, 1940, consisted of 6,495,000 pounds of Cuba (Havana) tobacco, 2,170,000 pounds of Sumatra and Java, and 5,969,000 pounds of Philippine Islands (Manila) tobacco. The detailed report shows these stocks subdivided into wrappers, fillers, and scrap.

The figures quoted for type totals are the sums of unstemmed and stemmed leaf as reported. A table is included showing American-grown types on a farm-sales weight basis with stemmed leaf converted to unstemmed equivalent, and also a table showing separately stocks owned by manufactures and stocks owned by dealers. The detailed report shows all stocks subdivided according to groups recognized in the trade.

SALES TAX PROTEST

PROTESTING against the continuation of the New York cigarette taxes at the State Budget Hearing, Albany, N. Y., February 12th, 1940, Eric Calamia, President of Retail Tobacco Dealers of America, Inc., said: "The 2¢ cigarette tax which became effective on July 1, 1939 for an emergency period of one year and which it is now proposed to reenact for another year, has created a situation which makes a vast number of small tobacco dealers throughout the State despair of being able to derive a livelihood from the sale of cigarettes from which they are dependent for a large proportion of their business.

"Our Association, which represents the retail tobacco dealers throughout the State, has completed a thorough canvass of the situation, and we are convinced that the consumers' resentment toward this levy has grown to such proportions that it cannot be ignored.

"There are, of course, some smokers who don't feel the pinch of the tax. But the vast majority of consumers—the wage earners, office workers, farmers and laborers—feel it very keenly and wherever possible they try to save the tax by obtaining their cigarettes outside the State's borders where such taxes are not in force. It is not an idle assertion but well-founded fact that we retailers—the State's home merchants—are losing millions of dollars of business because of this enormous levy. In the last six months of 1939, in New York City alone, the retailer sold 72,459,105 less packages of cigarettes than in the same period of 1938. This is calculated from the official record of the sale of City cigarette tax stamps, and it represents an annual retail loss of approximately $18,000,000 of cigarette business. While figures showing the decline in cigarette sales for the entire State are not available, the total loss necessarily is far more staggering.

"And the loss is by no means confined to cigarettes alone. When a customer ceases to buy cigarettes from us because he is getting them from tax-free sources, he usually stops patronizing our stores altogether, with the result that we also lose a large volume of business on numerous other sundries which the smoker ordinarily buys along with cigarettes. It is the loss of these extra sales in addition to the sharp decline of our cigarette volume that renders it almost impossible to earn even a meager livelihood and continue to pay rent and other expenses of our business.

(Continued on Page 14)

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 — MARCH, 1940 — *Prepared twice a month*

PHULOFAX
(The Retailer's Friend) SAYS

Can we bring home the bacon with our Selling Ability as of the good old days? Can our working hours be as short as the good old days? Can we get the money in with the ease of the good old days? Can we? If we can't, what's the answer?

—o—

Just a reminder—did you, Mr. Cigar Salesman, do your bit today, by Boosting Cigars?

—o—

1940 has 1 more day than 1939—1 more day for what? Each of us must make our own answer.

—o—

Neglecting to make acknowledgement or reply to a letter is a bad breach of ordinary business courtesy. Unduly delaying an answer is wrong, but ignoring the letter entirely is just plain terrible and really hurts the non-answerer more than the non-receiver.

—o—

A Salesman has the opportunity to go forward further on the power he himself generates than is given any other professional man.

—o—

Yes, sir, I saw it myself. 28 brands of cigars on top of a case and you'd have to break your arm to reach into the boxes of the three best selling brands. Good merchandising? No, just mere store-keeping.

—o—

No one will hang a Salesman for Boosting the Product he sells . . . instead he will be admired for his interest in his product. We fellows sell Cigars . . . do we do enough Boosting of Cigars? The more we BOOST, the more we SELL!

—o—

Maybe, Mr. Retailer, that fellow who just purchased 10 cigars from you would have bought a box of 25 had you given him a polite selling talk. More profit in the c. r. you know.

—o—

(Aside to C. K. B.) Don't send the letter . . . you never get anywhere by knocking your competitor. Send me your name and address and, in confidence, Phil will go into more detail.

—o—

Sell Cigars by the Box!

Phil M. Phulofax

D. B. I.

Associated with BAYUK CIGARS INC., Philadelphia — Makers of fine cigars since 1897.

Effort
by
Frank Trufax

To My Salesmen:

Sometimes, I buy my evening paper from the newsboy in front of our office and sometimes I don't. When do I and when don't I?

Sometimes, as I am walking down the steps, he comes over to me and says, "Paper, Mr. Trufax?"—and I buy.

Sometimes, he doesn't and I don't buy.

Well, what about it? Where's there a selling thought in that thrilling tale?

A big selling lesson, my boys—a whopper of an illustration of how sales are made and why sales are lost!

Get this—he sells me when he makes an *effort* and he loses me when he doesn't!

You've got to make an *effort* if you want to make *a sale!*

Wait a minute! I hear you say, "Why, doggone it, Mr. Trufax, that's a lot of abc stuff—of course, you can't put over a sale unless you put up an effort."

Right as right can be but that's not my point and then again it is my point. It's not a question as to whether or not you have to make an *effort* so much so as *do you?*

And what is it you call an *effort?*

That newsboy might tell you he always makes an *effort* to sell whereas he just *happens* to sell!

How many sales do we just *happen* to make and how many do we lose 'cause we don't exert a real energetic *effort?*

I was out with one of our boys the other day. I kept quiet and put a listening ear to his "selling" talk. After a turn-down in a particularly good store, he said to me, "Well, Mr. Boss, I didn't *happen* to sell him, did I?"

"No," says I, "—and that's why you didn't. You just expect too much to *happen.* You didn't put pressure in your *effort* and therefore you didn't put an order in your book."

Asking a dealer, "How's your stock?" "Got enough of my brands?" "Need anything to-day?"—may cause an order to *happen* your way and then again it may not. That's hit or miss chance-selling; not do or die effort-selling!

Do you remember, boys, who was top man on last Sales Contest for Increased Distribution? Of course, you do. It was Johnny Wokeup and ever since the Contest, he is always one of the high men in sales.

He used to be a "wantanything-today" salesmen but he took the cure! He dug up, you'll recall, 37 good new accounts in one week—this was about 34 more new accounts than he had corralled in previous six months. How come he to do this?

Did he take the "monkey-gland" treatment? Did these 37 new accounts just spring into recent existence? No-No-No! What took place?

Let Johnny tonguelize it, "Well, I'll tell you. I've fussed around trying to get new customers in the past but, honestly, I never really went after them with determination to get 'em. 'Fussed' around is just what I mean. When the Contest was announced, I went out to get 'em and I got 'em. I didn't wish for new accounts; I *worked* for them. I don't believe I'm any taller, leaner or fatter mentally or physically than I was before but I sure did make more use of what ability was stored up in me."

Johnny has a license to make that long speech but four words will cover his whole story—*he made an effort!*

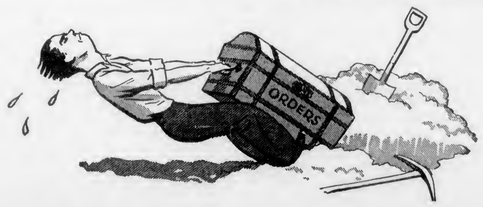
You can't unearth the Treasure Chest with a spade and a pick—you've got to *dig!*

You can't pull sales with an order book and a pencil—you've got to *exert!*

You can't shirk work!!

Yours, withuallways,

Frank Trufax



Phillies
Havana Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

A Letter to the Stockholders

By George W. Hill

President, American Tobacco Company

WELL, this is a letter that I am doubly glad to write, a letter that I think every stockholder will be glad to receive and will read with interest. First, I am glad to say that, although the final accounting has not as yet been completely finished, it appears evident that *your company earned its full $5 dividend in 1939.* We have earned our dividend because our constant and relentless struggle towards that end has now resulted in actual accomplishment. Of course, that's what your management is paid for—to solve such problems and to fight things out to a successful conclusion for the stockholders' protection. During all the twenty-seven years past, your company has always been able to *pay* full dividends so that *the stockholders' income has been constant*—and that is a record not matched by many companies during these days.

Increased Volume! Of course, the need for that is apparent to everyone. How is it attained? How is it done? Well, the stockholders of The American Tobacco Company have two vivid illustrations to hand each week. If you will just turn on your radio on Wednesday evening—National Broadcasting Company, Red Network—(in New York, Station WEAF—from ten to eleven P. M.) you will have one of these illustrations—"Kay Kyser." If you will turn on your radio Saturday evening—Columbia Broadcasting System—(in New York, Station WABC—nine to nine forty-five P. M.)—you will have another illustration—"Your Hit Parade."

Much has been written and said about advertising—many wise things—many foolish things. As the result of my years of experience in advertising I sincerely believe it to be a very great yet a very simple science. Reduced to its simplest terms, advertising is really nothing but "Salesmanship-in-Print" and during these more recent years, with the introduction of the radio, "Salesmanship-in-Person" as well.

Now, no one in the tobacco business makes a profit on an initial sale. It's the *repeat* business that pays dividends, therefore—the importance of "quality of product"—the importance of pleasing the consumer so that he will return to make the repeat purchase. Now all the "hot air," the "bunk," the "hooey" in the world won't make Mr. Consumer buy the second time if he is not satisfied with his first purchase. So the wise advertiser must speak truthfully of the merit of his product. He can expatiate on that merit, he can even "puff a little"—all salesmen put their best foot forward—but fundamentally the wise advertiser must be truthful or the public will find him out and his expenditures will bring him no return. The wise advertiser searches for and finds the merit in his product, *the merit that advantages the consumer*—he must believe in that merit, deeply believe in it, and he must vividly, vitally express that merit to the public to whom he is striving to appeal. This is the basic reason for the enormous value of the so-called *"idea"* in advertising.

Two young fellows, a couple of years ago, went down south, "into the field," to visit certain of our factories and certain leaf markets. (We insist that five such visits, "in the field," searching for material, be made every year by each active member of our advertising staff and of the advertising staffs of our agencies working on our accounts.) That time, these young men came back with two rather remarkable facts turned into advertising ideas. They discovered that Luckies were the overwhelming favorite of independent tobacco men—auctioneers, buyers, warehousemen, etc. A careful comprehensive survey was made, and from that came "With independent tobacco experts, with men who know tobacco best, it's Luckies 2 to 1." *And* they discovered "The Chant of the Tobacco Auctioneer."

Listen to that "Chant" on Wednesday night or on Saturday night on one of those radio programs to which I have referred. Listen to what is said about the merit and quality of your company's brand of Lucky Strike cigarettes. There, over the air, you have twice each week a vivid portrayal of what your company believes to be "Salesmanship-in-Person"—*Truthful—Dynamic "reason-why"* the consumer should buy our product.

Again, Increased Volume! How is it done? Youth runs America and youth is going to run America tomorrow. Your management recognized this and I am proud to say to you that we have been particularly concerned about and, for that reason, particularly successful in developing our corps of younger executives. Youth selected Wednesday night's program "Kay Kyser"—youth found that unique entertainment. "Kay Kyser" is one of the most successful commercial programs on the air. Even more important than its mass appeal, however, is its appeal to the young—to youth—to the young folk of nineteen or twenty, who will form in a few years the great mass of cigarette consumers—*if they are properly interested—if they are properly advertised to.* Both these jobs, the finding of "The Chant of the Tobacco Auctioneer"—which dramatized the tobacco expert story—and the discovery of the "Kay Kyser" program, were done in twelve months under the direction of one of our younger executives. "Listen in" on our radio hours—see the value of these jobs personally—hear that forceful, intelligent selling, vitalized through "The Chant of the Tobacco Auctioneer"—reaching that great audience through the medium of those two great radio shows—"Kay Kyser" and "Your Hit Parade." *Don't take my word for it—turn your radio on and judge for yourself.* These two jobs, well done by youth, caused your board of directors to make a new vice-president in charge of advertising, and that young executive is my son, George, Jr. Now you understand the double pleasure that I get in writing this letter.

I suppose I will be criticized by some for speaking thus frankly of this young man, my son, but stockholders are entitled to know the facts, and regardless of any personal satisfaction that I may have in George's contributions, because I know that *"Management" will make or break any business,* I want to call your attention to the great benefit there is to our company in having a productive young man of thirty-two, with his roots deep down for over two generations in this very company of ours, so integral a part of our organization. George's grandfather, my father, Percival S. Hill, was known in his day as the ablest tobacco salesman from Maine to California, and George's other grandfather, J. B. Cobb, was for years Mr. Duke's right-hand man, a leaf expert like our own Jim Lipscomb, known for his skill from Kentucky to the Carolinas. If George continues in the future as he has begun, I consider it a most human but very real asset to our company to have him in our employ, a young man with a tradition which welds him to this business, with the love of the tobacco business and of "Our Company" deeply ingrained in his being.

Stockholders have been most kind in expressing their appreciation of these fairly informal letters that I have been writing them. I should like to keep you advised of the many interesting angles of our affairs. You will realize that I find great difficulty in prophesying—I have no desire, nor can I afford, to be unduly optimistic, but no stockholder can read what I have written without realizing that I believe his investment in The American Tobacco Company is sound, and that, as each year passes, stockholders will more and more have confidence in the value and stability of tobacco securities, and especially in the securities of our company.

I have spoken in these letters about the abilities and personalities of a few executives. I wish I could give credit by name to all those who have contributed to the company's success. Your company has an organization of over twenty thousand employees—hard-working, intelligent, productive. I feel that, together, we have created an *"Institution"* of which our stockholders may be justly proud, and I thank our stockholders for the confidence that they have shown in us.

REYNOLDS COMPANY PROGRAMS

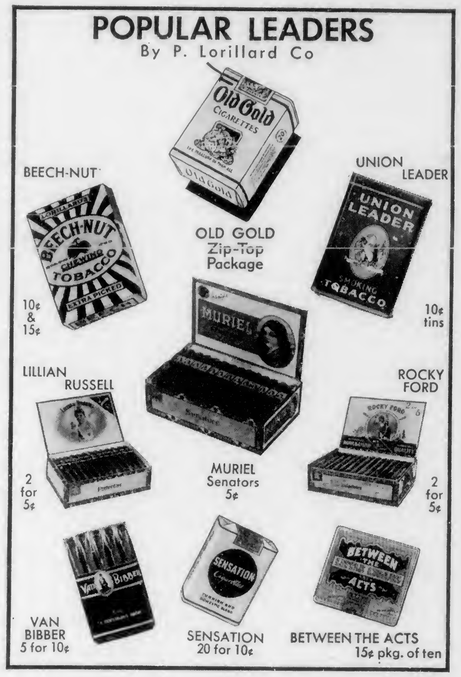
The R. J. Reynolds Tobacco Company started its second NBC program in behalf of Camel Cigarettes over forty-four NBC-Blue Network stations on Feb. 24, from 1:30 to 2:00 P. M., E. S. T.

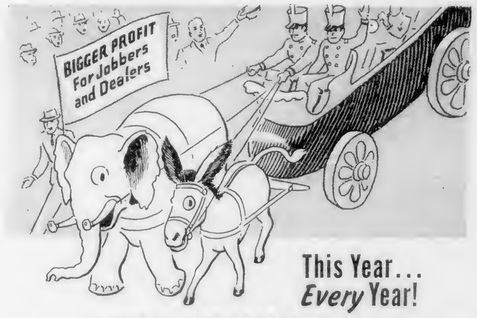
The new weekly Saturday series is entitled "Luncheon at the Waldorf." With Ilka Chase, actress and wit, as mistress of ceremonies, the program includes interviews by Miss Chase of some of the approximately fifty prominent people invited to have luncheon at the Empire Room of the Waldorf Astoria Hotel.

The Reynolds Company will continue sponsorship of the Camel Caravan starring Bob Crosby, heard Saturdays from 10 to 10:30 P. M., E. S. T., over ninety-three NBC-Red Network stations, and "The Grand Ole' Opry," broadcast over a split Red Network of twenty-six stations on Saturdays from 10:30 to 11:00 P. M., E. S. T., in the interests of Prince Albert Tobacco.

The company has signed a contract to broadcast all the week-day home games of the New York Yankees and the New York Giants over WABC during the coming season, on behalf of Camels and Prince Albert Smoking Tobacco. The season opens with the Giants at the Polo Grounds on April 16. The announcers have yet to be selected.

Although this is only the second year in which the New York teams have been covered regularly by radio, WABC has had exclusive rights in both seasons. This year, however, marks the debut in New York baseball of the Reynolds Company, although it has used Columbia Network facilities for 344 weeks.





This Year... *Every* Year!

Ride the KING EDWARD Band Wagon!

All America votes King Edward its "favorite son" because King Edward combines quality with greater economy for smokers. You've got a winner in America's biggest selling cigar. Steadily increasing demand means steadily increasing profit for you. Avoid missed sales. Be sure your stocks are kept full. Keep your customers satisfied and get more volume, more profit for yourself! And remember that the handy 25c Ten-pack increases unit sales!

2 for 5¢

JNO. H. SWISHER & SON, Inc.

Cigar Manufacturers - JACKSONVILLE, FLORIDA

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

Brown & Williamson Tobacco Corporation

TUNE IN—*"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday*

UNION MADE

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1873

NIC. ALTHAUS CO

MANUFACTURERS OF HIGH GRADE CIGAR BOXES

CEDAR, SAW AND PLANING MILLS

LABELS, RIBBONS, CIGAR MAKERS SUPPLIES

657-641 EAST 17TH ST. NEW YORK.

OUR HIGH-GRADE NON-EVAPORATING

CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

FATHER'S DAY PLANS

The opening rally luncheon of the 1940 Father's Day campaign was held February 2d, in the Banquet Hall at the Hotel Pennsylvania. The meeting was called by the National Council for the Promotion of Father's Day. Mr. Alvin Austin, executive director of the Council was toastmaster. Mr. William H. Weintraub, chairman of the organization outlined the vast operations of the Father's Day Council during the past few years, and described the growth of the Father's Day movement in America. He announced that a new plan for raising the necessary funds to carry on the publicity and promotional work for Father's Day, has been put into effect for this year; namely, the sale of Father's Day stamps in quantity to every type of mercantile, manufacturing, retail and other organizations.

This plan met with enthusiastic approval of all the industries represented at the meeting, which included among others, the following lines of activities: accessories, cameras and pictures, chain stores, confection, drugs, dry goods, electrical goods, greeting cards, hats, hosiery, jewelry, knit underwear, leather goods, neckwear, radio, resident buyers, retail druggists, retailers, shirts, shoes, sporting and athletic goods, stationery, tobacco, toiletries, trade publications.

TOBACCO QUIZ

The following are the questions and answers of the "Quiz Contest" which took place at the closing session of the N. A. T. D. on Saturday afternoon, January 20th, at the Palmer House, Chicago, Illinois:

Q. Within 10 per cent., what is the annual production of snuff in this country?

A. Approximately forty million pounds.

Q. What is the revenue tax on chewing tobacco?

A. Eighteen cents per pound.

Q. What is the derivation of the word "stogie"?

A. Named after the "conastoga" or covered wagon.

Q. Tobacco buyers of the United States tobacco companies in Turkey are not allowed to smoke the American brands for which they buy tobacco. Why?

A. Turkey has an absolute embargo on all tobacco products of foreign manufacture.

Q. Name in the same order the value of Class A, B, C, D and E revenue stamps on cigars.

A. A, $2 per thousand; B, $3 per thousand; C, $5 per thousand; D, $10.50 per thousand; E, $13.50 per thousand.

Q. Of the many tobacco grown in the United States, which has the greatest poundage?

A. Burley tobacco.

Q. Tobacco was introduced into Europe by: Sir Walter Raleigh, Jean Nicot, Francisco Fernandes?

A. By the Spaniard, Francisco Fernandes.

Q. Whose picture appears on the Federal cigarette stamp?

A. De Witt Clinton.

Q. Identify the following with the correct cigar: (1) Man to man, (2) In every case, (3) It's ripe tobacco, (4) Heart of Havana, (5) Certified, (6) For real enjoyment, (7) Still Havana rich, (8) Mildness plus character, (9) The sophistocrat of cigars.

A. (1) Roi-Tan, (2) 7-20-4, (3) Bayuk, (4) Harvester, (5) Cremo,, (6) El Producto, (7) La Fendrich, (8) La Palina, (9) Robert Burns.

Q. Name twelve front-marks for cigars.

A. (1) Panatela, (2) Perfecto, (3) Invincible, (4) Blunt, (5) Triangles, (6) After Dinner, (7) Queens, (8) Club House, (9) Esceptionales, (10) Cabinets, (11) Londres, (12) Kings, (13) Corona.

Q. In what year since 1900 did cigar production hit its peak?

A. 1920. Sales hit all time peak, 8,092,000,000.

Q. What U. S. highway is called "The Tobacco Trail"?

Compare

MODEL'S SMOKING QUALITIES

with ANY TOBACCO *at* ANY PRICE

HOWARD & SHELTON *Presented by* MODEL TOBACCO

Every Monday Night, Coast to Coast C. B. S. See Local Papers for Time

UNITED STATES TOBACCO CO.

630 Fifth Avenue, New York, N. Y.

Factories

RICHMOND, CHICAGO, NASHVILLE

A. 301. Starts at Route 1, Petersburg, Va., and ends at Florence, S. C.

Q. What is meerschaum?

A. A clay-like silicate of magnesia.

Q. What is briar?

A. Briar is a shrub or bush, belonging to the heather family—*not a tree!*

Q. From what was the name nicotine derived?

A. Jean Nicot, who introduced its usage in France.

Q. What ingredient that extinguishes fire in human beings is used to promote combustion in tobacco?

A. Saltpeter.

Q. What rank does the tobacco industry take among industries in the U. S. (list in order of importance)?

A. Sixth. (1) Food, (2) Textiles and clothing, (3) Transportation, (4) Steel, iron and machinery, (5) Oil, coal and chemicals, (6) Tobacco.

Q. On what price cigars do Class A, B, C, D and E revenue stamps appear?

A. Class A, not over five cents; Class B, over five cents, not over eight cents; Class C, more than eight cents, not more than fifteen cents; Class D, more than fifteen cents, not more than twenty cents; Class E, over twenty cents.

BAYUK BECOMES LEADER

Climaxing a steady increase in both sales and earnings over the past six years, the report of A. Jos. Newman, president of Bayuk Cigars, Inc., to stockholders as of February 16th, discloses that in volume of sales, Bayuk, in 1939, became the largest manufacturer in the entire cigar industry.

Bayuk Cigars, Incorporated and wholly owned subsidiaries report net earnings for year ending December 31, 1939, of $1,782,784.58, equal, after preferred dividends, to $4.33 per share on common stock, against net earnings of $1,300,995.26, equal, after preferred dividends, to $3.01 per share on common stock for the year 1938.

In commenting on the report to stockholders, Mr. Newman stated that while the sale of cigars as a whole showed an increase during the year 1939, the Bayuk increase was considerably greater than the percentage of increase for the industry as a whole, showing an increase of approximately 20 per cent. in the sale of Phillies, the Company's featured brand.

Mr. Newman also stated that sales for January, 1940, as compared with 1939, showed an increase of over 20 per cent.

SPRUCE LUMBER

for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

SPECIFY SPRUCE

Uptegrove Lumber Co.

Cigar Box Lumber for 66 years

15 Washington St. Newark, N. J.

Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS — VERY PHILO — VERY HILO

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

AUTOKRAFT

CIGAR BOXES

Boite Nature — Novelty
Cedar Chests — Wrapped

Are Outstanding In Quality-Design-Cost

AUTOKRAFT BOX CORP.

Lima, Ohio — Hanover, Pa.
Chicago, Ill. — Philadelphia, Pa.
Detroit, Mich. — Hellam, Pa. — Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

PORT READING:—46,764. For cigars. Registered by the L. Bolaci Cigar Corp., New York, N. Y., on October 24, 1939.

RENEWAL REGISTRATIONS

BOOKER T. WASHINGTON:—46,765. For cigars, cigarettes and cheroots. Registered by The Overton-Hygienic Mfg. Co., Chicago, Ill., on February 7, 1940. (Originally registered on October 24, 1901, by G. J. Johnson Cigar Co., Grand Rapids, Mich., who had transferred the same to A. Overton, Hygienic, Kan., on April 18, 1903.)

PAUL LAURENCE DUNBAR:—46,766. For cigars. Registered by The Overton-Hygienic Mfg. Co., Chicago, Ill., on February 7, 1940. (Originally registered on September 19, 1902, by Anthony Overton, McSherrystown, Pa.)

WILLIAMS & WALKER:—46,767. For cigars, cigarettes, little cigars, cheroots and tobacco. Registered by The Overton-Hygienic Mfg. Co., Chicago, Ill., on February 7, 1940. (Originally registered on September 25, 1903, by A. Overton, Kansas City, Mo.)

TRANSFERRED REGISTRATIONS

ORDER OF THE GARTER:—6329 (Tobacco Leaf). For cigars. Registered March 4, 1892, by J. E. Domschke, Jr., & Co., New York, N. Y. Through mesne transfers acquired by Jacob Rich, New York, N. Y., and re-transferred to Morris Frankenstein, New York, N. Y., on January 9, 1940.

CANTERBURY:—1215 (United States Tobacco Journal). For cigars. Registered December 29, 1883, by Witsch & Schmitt, New York, N. Y. Transferred to Consolidated Litho. Corp., New York, N. Y., and re-transferred to G. W. Van Slyke & Horton, Inc., Kingston, N. Y., on January 22, 1940.

Internal Revenue Collections for January

Source of Revenue	1940	1939
Cigars	$ 894,578.27	$ 806,908.66
Cigarettes	43,704,583.29	41,590,402.09
Snuff	578,429.68	575,595.15
Tobacco, chewing and smoking	4,235,257.03	4,269,028.85
Cigarette papers and tubes	105,543.48	117,175.31
Leaf dealer penalties	45.75	75.70

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of November

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	3,851,324	— 414,988	9.73
Twist	515,243	+ 100,469	24.22
Fine-cut Chewing	365,549	+ 2,714	0.75
Scrap Chewing	3,415,282	— 1,148,121	25.16
Smoking	17,466,579	— 1,036,829	5.60
Total	25,613,977	— 2,496,755	8.88

Eleven Months Ending November 30

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	47,725,902	— 2,895,320	5.72
Twist	5,284,589	+ 468,999	9.74
Fine-cut Chewing	4,190,460	— 95,717	2.23
Scrap Chewing	38,349,301	— 1,989,424	4.93
Smoking	187,831,280	+ 4,481,208	2.44
Total	283,381,532	— 30,254	0.01

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

TOBACCO TRADE ORGANIZATIONS

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MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
S. CLAY WILLIAMS, Winston-Salem, N. C. ..... Vice-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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EDMUND C. DEARSTYNE, Albany, N. Y. ..... Vice-President
I. RENZ EDWARDS, Kansas City, Kan. ..... Treasurer
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SAMUEL BLUMBERG ..... General Counsel
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JACK EDELSTEIN ..... Treasurer
LEO RIEDERS, 3800 Broadway, New York, N. Y. ..... Secretary

SALES TAX PROTEST

(*Continued from Page 8*)

"With every package of 20 cigarettes already subject to a Federal tax of 6¢, the added 2¢ State tax means that the consumer is forced to pay 8¢ for tax stamps on each package, or considerably more than half of the purchase price. (In New York City, where a 1¢ levy is further imposed, the tax is 9¢). Purchasing on the average of a package day, the consumer thus pays an annual cigarette tax of 8¢ a day, amounting to $29.20 a year ($32.85 in New York City)—a huge amount in itself, but the disproportion of it becomes even more apparent when we compare this sum that goes for taxes with the sum that goes to cover the retail price (exclusive of taxes) of most cigarettes, viz., 6½¢ a package, or $23.75 a year. In a family with several smokers, the aggregate cigarette tax amounts to $50 a year or more—surely an excessively heavy tax drain on the family budget and one which takes no account whatever of capacity to pay, for the fact is that about 90 per cent. of the cigarettes sold are bought by those whose wages or earnings are so small that they are not required to pay any income tax.

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TOBACCO WORLD

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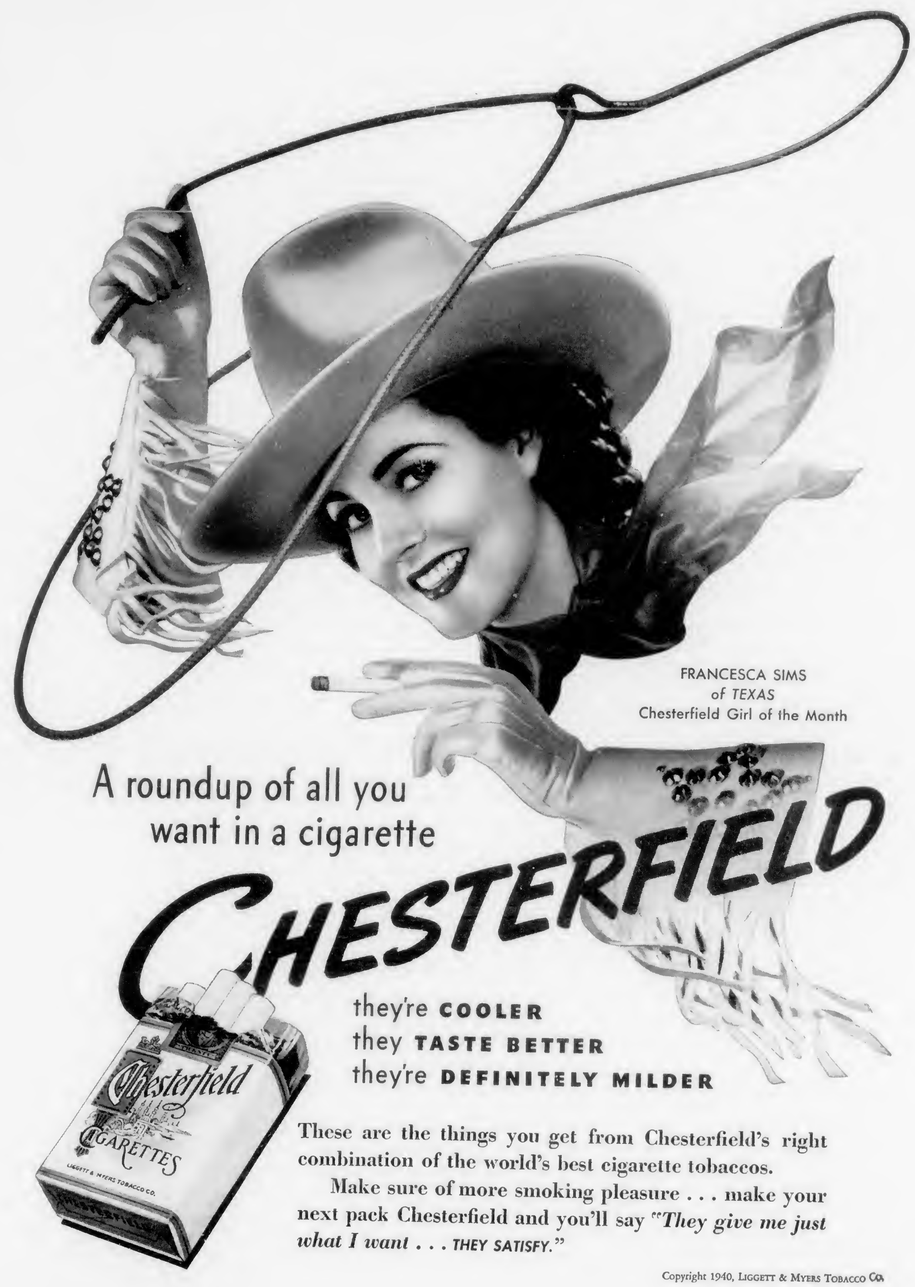
FEBRUARY ACE TOBACCO MONTH

February was an **ACE** month for cigars, the increases in withdrawals in Classes **A**, **C**, and **E** amounting to 16,047,264, or 4.31 per cent., as against declines in Classes **B** and **D** of 107,561, or 2.20 per cent., the net increase in the grand total of all classes being 15,949,703, or 4.23 per cent.

In a more precise sense, **February** was an **ACE** month for cigarettes, for the total withdrawals reached the staggering figure of 13,162,911,613, which was 1,380,878,873, or 11.72 per cent., above the total of **February**, 1939.

Large cigarettes, snuff, chewing and smoking tobacco all registered substantial gains. In fact, little cigars alone were marked with a minus sign.



HOBART B. HANKINS—*Editor*

Business Manager—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 APRIL, 1940 No. 4

WE have been reviewing the recent advertising awards by *Advertising & Selling,* and we have discovered one thing that's wrong with them. Not a single honor was conferred on a piece of copy or a campaign devoted to a cigar, a cigarette, or any other type of tobacco product. In the face of the known returns from the promotion of Bayuk Phillies, White Owl, El Producto and others in the cigar field; of Camels, Chesterfields, Luckies and Old Gold in the cigarette field, we were first at a loss to understand the omission of a classification of advertising and promotion known for its sales results. We now conclude that no advertising of tobacco products was submitted in the contest.

▲

NOW is the time for manufacturers, distributors and retailers of cigars, cigarettes and all other types of tobacco products to put into effect the plans that will make Sunday, June 16—Father's Day—a bigger and better day for Dad—and for themselves. It is an occasion for remembrance that was made to order for the tobacco industry and trade. Anyone in the business, be he manufacturer, wholesaler or retailer, who does not profit from this circumstance, will have no one to blame but himself. Lack of planning now—and failure to follow through with the planning later—will be more responsible than any other single factor for engendering regrets.

▲

THE *New York Sun* announced its third annual Father's Day advertising competition on March 15. It is conducted to obtain a campaign of five 1000-line newspaper advertisements, each measuring 5 columns by 200 lines, best suited for use by the *Sun* and participating out-of-town newspapers, to promote Father's Day. This year the *Sun* is suggesting that campaigns should dramatize the human qualities and other outstanding characteristics of the average American father, in addition to promoting the day as an occasion for remembrance. In continuance of its custom, the *Sun* will publish the winning advertisements as its contribution to the advancement of Father's Day. Also, as in previous years, the campaign will be made available to out-of-town newspapers wishing to join in the campaign. Las year, nearly 100 newspapers reproduced the *Sun's* campaign, which represented a gain of 25 per cent. in the number of newspapers using the promotion. An award of $500 will be made for the best Father's Day campaign. The award will be announced early in May. All entries must be submitted in the form of copy and finished layout. It is emphasized that paid advertisements in the *Sun* are not eligible in the competition. Closing date for entries is 5 P. M. Wednesday, May 1.

▲

IT is proper that we should call attention to the *Sun* promotion in connection with our preachment to all concerned on the subject of an advance planning for Father's Day. Any such plan, to be effective, must involve advertising. The manufacturers should get some of the flavor of Father's Day into all their copy from now on—in the newspapers and other general media, as well as in the business magazines. No panicky feeling that business is rapidly nearing a showdown in production and sales, should prompt anyone in the tobacco industry to pull in his advertising horns at this time. All the available figures point to a big year in this industry. And, even if they didn't, that would be all the more reason to project an aggressive campaign of advertising and merchandising. Some of the oldsters in the industry can look back with amusement now to 1896, when the cigarette interests decided they could get along without advertising. The leader had spent nearly a million dollars in promotion, including premiums, in 1894 and 1895, and most of this was discontinued in 1896. Three years later it had emerged as a certainty that the savings in money effected were not entirely net. Somehow or other, smokers were seeming to get out of the habit which the manufacturers had thought was so firmly fixed it would continue undiminished. And some new cigarette companies had taken up advertising with results that were not entirely unnoticeable. Advertising was resumed, of course, and we all know what has happened since. Cigarette companies are among the leaders each year in the volume of their advertising appropriations.

▲

THIS whole matter of getting scared in advance of business catastrophes that never happen, is illustrated by the experience of a leading company in another line. When the business curve turns down, the Coca-Cola Company increases its advertising appropriation, instead of decreasing it. In the lowest year in the depth of the depression—1932—the president of the Coca-Cola Company asked for an extra $1,000,000 from his directors for advertising—and he received it. In the following year, he got an additional $500,000. That is the testimony of DeSales Harrison, vice-president of the company, who adds that in 1929, the company paid a dividend of 94 cents; in 1932, a dividend of $2, and in 1939, a dividend of $5. And if you protest that Coca-Cola is a product which stood to profit anyway from the low feelings of Americans in depression years, the answer to that is that the same thing applies to cigars, cigarettes, smoking and chewing tobacco.

The TOBACCO WORLD (est. 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; B. S. Phillips, Vice-President; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

February Withdrawals Show New Gains

Only Little Cigars Failed to Register an Increase; Cigars Were 4.23 Per Cent. Ahead and Cigarettes 11.72 Per Cent.

EVERY classification of tobacco products, with the single exception of little cigars, registered an increase in February this year, as compared to the same month last year, it is revealed in the supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the United States. There was a wide range of percentage gains—from 4.23 per cent. for cigars of all classes to 60.71 per cent. for large cigarettes.

United States cigars of all classes totaled 375,824,394, as compared to 361,233,088, an increase of 14,591,306, or 4.04 per cent. Philippine Islands withdrawals totaled 17,544,456, as compared to 16,137,589, an increase of 1,406,867, or 8.72 per cent. Puerto Rico withdrawals, however, dropped from 75,670 to 27,200, a loss of 48,470.

Class A cigars in the United States totaled 344,890,195, as compared to 331,088,515, a gain of 13,801,680, or 4.17 per cent. P. I. withdrawals in this class reached 17,518,835, a rise of 9.11 per cent, while P. R. withdrawals declined from 24,620 to 18,000.

Class B cigars in the United States totaled 2,703,637, as compared to 2,791,440, a decrease of 87,803, or 3.15 per cent. P. I. and P. R. losses in this class brought the total decline to 3.37 per cent.

Class C cigars in the United States totaled 25,967,702, as compared to 25,103,220, an increase of 864,482, or 3.44 per cent. Decreases in P. I. and P. R. withdrawals reduced the gain to 3.16 per cent.

Class D cigars in the United States totaled 2,056,960, a decline of 1305, or 0.06 per cent., which a more sizable drop in P. I. withdrawals increased to a total loss in this class of 0.63 per cent.

Class E cigars in the United States totaled 205,900, as compared to 191,648, an increase of 14,252, or 7.44 per cent. P. I. withdrawals in this class, however, plummeted from 12,450 to 250, a drop of 12,200, which reduced the class increase to 1.01 per cent.

Cigarettes in the United States reached the towering total of 13,162,661,213, as compared to 11,781,749,850, an increase of 1,380,911,363, or 11.72 per cent. There was a drop in P. I. withdrawals, from 32,750 to 400, but P. R. withdrawals almost broke even, the 250,000 this year being only 140 behind the February, 1939, total.

Large cigarettes totaled 89,200, as compared to 55,502; snuff totaled 3,144,556 pounds, a gain of 5.56 per cent.; chewing and smoking tobacco gained 5.64 per cent.; little cigars declined 2.32 per cent.

Following are the comparative figures:

Product	February, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	344,890,195	+	13,801,680	4.17
Philippine Islands	17,518,835	+	1,403,390	9.11
Puerto Rico	18,000	—	6,620	....
Total	362,427,030	+	15,258,450	4.40
Class B—				
United States	2,703,637	—	87,803	3.15
Philippine Islands	2,273	—	477	....
Puerto Rico	1,700	—	6,100	....
Total	2,707,610	—	94,380	3.37
Class C—				
United States	25,967,702	+	864,482	3.44
Philippine Islands	10,322	—	31,970	....
Puerto Rico	7,500	—	35,750	....
Total	25,985,524	+	796,762	3.16
Class D—				
United States	2,056,960	—	1,305	0.06
Philippine Islands	12,776	—	11,876	....
Puerto Rico	.....		.....	....
Total	2,069,736	—	13,181	....
Class E—				
United States	205,900	+	14,252	7.44
Philippine Islands	250	—	12,200	....
Puerto Rico	.....		.....	....
Total	206,150	+	2,052	1.01

Product	February, 1940		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	375,824,394	+	14,591,306	4.04
Philippine Islands	17,544,456	+	1,406,867	8.72
Puerto Rico	27,200	—	48,470	....
Grand Total	393,396,050	+	15,949,703	4.23
Little Cigars:				
United States	13,259,255	—	314,525	2.32
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	13,259,255	—	314,525	2.32
Cigarettes:				
United States	13,162,661,213	+	1,380,911,363	11.72
Philippine Islands	400	—	32,350	....
Puerto Rico	250,000	—	140	....
Total	13,162,911,613	+	1,380,878,873	11.72
Large Cigarettes:				
United States	77,600	+	22,219	40.12
Philippine Islands	1,600	+	1,479	....
Puerto Rico	10,000	+	10,000	....
Total	89,200	+	33,698	60.71
Snuff (lbs.):				
All United States	3,144,556	+	165,705	5.56
Tobacco (Chewing and Smoking) lbs.:				
United States	23,712,060	+	1,266,164	5.64
Philippine Islands	.....	—	150	....
Total	23,712,060	+	1,266,014	5.64

Cigars, Cigarettes Boost 8 Months Gains

Increase in Cigars Grows to 3.19 Per Cent. and Gain in Cigarettes Rises to 5.98 Per Cent. in 2/3 of Fiscal Year

ONLY cigars and cigarettes registered increases in withdrawals in the first eight months of the fiscal year 1940, as compared to the similar period in the 1939 fiscal year, according to the figures published in the supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the United States. The cigar gain was 3.19 per cent. (represented by a 3.92 per cent. increase for Class A, an 0.71 per cent. gain for Class D, and a 10.67 per cent. rise for Class E), and the cigarette gain was 5.98 per cent. Losses ranged from 0.16 per cent for chewing and smoking tobacco to 7.77 per cent. for little cigars.

Class A cigar withdrawals in the United States totaled 3,175,088,090, as compared to 3,068,796,015, an increase of 106,292,075, or 3.46 per cent. P. I. withdrawals in this class totaled 139,500,680, as compared to 120,942,990, an increase of 18,557,690, or 15.34 per cent. P. R. withdrawals increased 84,950, climbing from 70,250 to 155,200. The grand total was 3,315,360,070.

Class B cigar withdrawals in the United States totaled 28,702,100, as compared to 32,780,883, a decrease of 4,078,773, or 12.44 per cent. A P. I. gain of 16,074 and a P. R. gain of 84,950, reduced the loss to 3,977,749, or 12.08 per cent.

Class C cigar withdrawals in the United States totaled 334,375,864, as compared to 341,236,620, a drop of 6,860,756, or 2.01 per cent. A P. I. gain and a P. R. loss changed this decrease to 2.03 per cent.

Class D cigar withdrawals in the United States totaled 25,013,115, as compared to 24,873,652, an increase of 139,463, or 0.56 per cent. A P. I. gain and a P. R. loss combined to change this to an 0.71 per cent. gain.

Class E cigar withdrawals in the United States totaled 3,466,798, as compared to 3,133,906, an increase of 332,892, or 10.62 per cent. A P. I. increase raised this to a 10.67 per cent. gain.

Cigars of all classes in the United States totaled 3,566,645,977, as compared to 3,470,821,076, an increase of 95,824,901, or 2.76 per cent. P. I. cigars totaled 140,095,659, as compared to 121,477,617, an increase of 18,648,042, or 15.35 per cent. P. R. cigars totaled 1,253,650, as compared to 1,200,330, an increase of 53,320, or 4.44 per cent. Grand total of all classes was 3,707,995,286, as compared to 3,593,469,023, a gain of 114,526,263, or 3.19 per cent.

Cigarettes totaled 115,999,520,507, an increase of 5.98 per cent. Snuff gained 1.24 per cent.

Following are the comparative figures:

Product	1st 8 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,175,088,090	+	106,292,075	3.46
Philippine Islands	139,500,680	+	18,557,690	15.34
Puerto Rico	771,300	+	74,370	....
Total	3,315,360,070	+	124,924,135	3.92
Class B—				
United States	28,702,110	—	4,078,773	12.44
Philippine Islands	85,984	+	16,074	....
Puerto Rico	155,200	+	84,950	....
Total	28,943,294	—	3,977,749	12.08
Class C—				
United States	334,375,864	—	6,860,756	2.01
Philippine Islands	233,758	+	30,272	....
Puerto Rico	324,950	—	104,900	....
Total	334,934,572	—	6,935,384	2.03
Class D—				
United States	25,013,115	+	139,463	0.56
Philippine Islands	240,846	+	39,478	....
Puerto Rico	2,200	—	1,100	....
Total	25,256,161	+	177,841	0.71
Class E—				
United States	3,466,798	+	332,892	10.62
Philippine Islands	34,391	+	4,528	....
Puerto Rico	.....		.....	....
Total	3,501,189	+	337,420	10.67

Product	1st 8 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	3,566,645,977	+	95,824,901	2.76
Philippine Islands	140,095,659	+	18,648,042	15.35
Puerto Rico	1,253,650	+	53,320	4.44
Grand Total	3,707,995,286	+	114,526,263	3.19
Little Cigars:				
United States	95,338,296	—	8,030,637	7.77
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	95,338,296	—	8,030,637	7.77
Cigarettes:				
United States	115,999,520,507	+	6,541,951,576	5.98
Philippine Islands	711,640	—	855,980	....
Puerto Rico	2,502,800	—	149,780	....
Total	116,002,734,947	+	6,540,945,816	5.98
Large Cigarettes:				
United States	1,731,798	—	23,959	1.36
Philippine Islands	1,800	+	679	....
Puerto Rico	171,000	—	15,261	8.19
Total	1,904,598	—	38,541	1.98
Snuff (lbs.):				
All United States	24,802,685	—	312,428	1.24
Tobacco (Chewing and Smoking) lbs.:				
United States	201,425,019	—	326,107	0.16
Philippine Islands	54	—	99	....
Total	201,425,073	—	326,206	0.16

Cuban Export Trade in 1939

CUBAN tobacco exports in December 1939 showed a big spurt, increasing approximately 42 per cent. as compared with December 1938, according to a review of Cuban official statistics from the American Consulate General, Habana, made available to the trade by the Tobacco Division, Department of Commerce. Up to December, exports of tobacco and tobacco products had been lagging considerably behind those of 1938, and were it not for this large increase in shipments during December, the year 1939 would have closed with a considerable deficit as compared with 1938.

Exports of tobacco and tobacco products from Cuba in December 1939 were valued at $1,183,021, compared with $836,048 in December 1938, and $1,061,689 in November 1939. Shipments during the month consisted of 40,776 pounds of wrapper tobacco, valued at $62,173, practically all of which went to the United States; 2,013,100 pounds of filler, valued at $393,524; 793,221 pounds of stemmed leaf, valued at $486,594; 128,728 pounds of scrap, valued at $39,941; 1,969,724 cigars, valued at $194,962; 2,375,196 cigarettes valued at $5531, and 463 pounds of smoking tobacco, valued at $296.

The tobacco export trade of Cuba with the United States in December 1939 was valued at $620,238, or slightly more than double the value of December 1938 shipments of $309,898. December 1939 exports to the United States were made up of 40,763 pounds of wrapper tobacco, valued at $62,013; 99,798 pounds of filler, valued at $36,708; 773,100 pounds of stemmed leaf, valued at $463,813; 121,182 pounds of scrap, valued at $34,983; 194,953 cigars, valued at $22,667; 1556 cigarettes, valued at 13; 66 pounds of smoking tobacco, valued at $41. The outstanding feature of December exports was the shipment of 48,270 pounds of wrapper tobacco to the United States (only 3302 pounds, valued at $3448, in December 1938). Shipments of stemmed leaf tobacco to the United States were almost double December 1938 exports of 374,842 pounds, valued at $248,228.

The unusually heavy Cuban shipments of filler tobacco to European neutral countries in December 1939 were of interest, the most important of which were as follows: Spain 934,962 pounds, valued at $152,638; the Netherlands 534,900 pounds, valued at $74,097; Sweden 332,703 pounds, valued at $79,622. While over one-third of all the Cuban cigars shipped in December 1939 were sent to England, Spain likewise made unusually heavy purchases of cigars in December 1939, the amount being 414,130 units, valued at $23,991. These were extremely low-grade cigars, the average price per thousand being only $57.93. The average price of cigars shipped to England in December, on the other hand, was $108.23 per thousand.

The Cuban export trade in tobacco and tobacco products during the year 1939 was valued at $14,094,383, as against $14,044,269 in 1938, $14,924,008 in 1937, and the record low of $12,926,270 in 1932.

Total leaf exports in 1939 showed an improvement of 3 per cent. in volume and 2 per cent. in value over those of 1938, all types of leaf, with the exception of filler, noting an increase in volume, as compared with 1938 exports. However, there was a decline in the amounts received for both wrapper and filler tobacco. Shipments of stemmed leaf tobacco, which had increased 5 per cent. in 1938 as compared with 1937, showed the large advance of 18 per cent. in 1939, as against 1938. Stemmed leaf exports in 1939 constituted a record for the last eight years. Exports of wrapper tobacco improved slightly over 1938, which year, however, was the poorest since 1934.

While shipments of scrap tobacco were larger than either 1937 or 1938, they did not equal the 3,703,303 pounds exported in 1935. Exports of cigars for two consecutive years have shown decreases of 8 per cent. in volume. However, in value the decline in 1939 amounted to only 5 per cent., whereas in 1938 there was a 14 per cent. decrease, in comparison with the previous year. Cigarettes, an item of minor importance among Cuban tobacco exports, showed a drop of 24 per cent. in volume and 17 per cent. in value, compared with 1938.

The average price of all leaf tobacco has increased only $1.43 per 100 pounds since 1935, although in 1937 the average price of leaf tobacco was as much as $3.97 per 100 pounds over that of 1935. The average price of exported cigars has increased only $4.27 per thousand in the period 1935-1939, although in 1937 they had shown a gain of as much as $7.51 per thousand. The average price of wrapper tobacco, which is exported chiefly to the United States and which accounts for only 2 per cent. of all leaf exports, has fluctuated violently during the past five or more years, the average price for 1939 being the lowest in many years.

On the other hand, filler tobacco, which accounts for 60 per cent. of leaf exports, remained fairly stable during the period under review, the difference in the average price between 1935 and 1939 amounting to only $1.45. Scrap tobacco has shown remarkably little change in average price during the five-year period. The decline in 1939, as compared with the average price received in 1938, brings scrap tobacco back to slightly less than its 1935 level. The average price for stemmed leaf tobacco, which comprises approximately 27 per cent. of all leaf exports and for which the United States is the principal customer, continued to decrease in 1939, the decline as compared with 1935 amounting to $4.59 per 100 pounds.

The export trade in Cuban tobacco and tobacco products with the United States in 1939 was valued at $8,786,571, compared with $8,189,606 in 1938, $8,728,669 in 1937, and $7,043,985 in 1936. The value of shipments to the United States during 1939 represented 62.3 per cent. of the value of all Cuban tobacco exported, as compared with 58.3 per cent. in 1938, 59 per cent. in 1937, and 53 per cent. in 1936.

Cuban leaf tobacco exports to the United States during 1939 registered a gain of 14 per cent. in volume and 6 per cent. in value over 1938 exports, and were only 6 per cent. in volume and 3 per cent. in value below the 15,604,385 pounds, valued at $8,703,291, shipped in 1935, when leaf exports to the United States were the largest in the past seven years. Exports to American markets have comprised approximately 50 per cent. of total Cuban leaf shipments to all markets, the figure for 1939 being 52 per cent. The value of shipments to the United States in 1939 represented 76 per cent. of the value of all leaf exports, as compared with 73 per cent. in 1938.

The Tobacco World

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 APRIL, 1940 *Prepared twice a month*

PHULOFAX
(The Retailer's Friend) SAYS

How many things do you do in an initiative fashion that you are not actually required to do in the regular duties connected with your job?

—o—

Say, you are looking after 50—100—200 or any number of customers and it is impossible for you to increase the number of your accounts,—how do you know that you are looking after 50—100—200 or any number of the most desirable customers?

—o—

There is a big difference between saying "my territory had a big increase last month" or "I had a big increase in my territory last month." Get it?

—o—

Have you some friends who smoke but do not smoke cigars? Do this,—go to one friend a day and say: "Jim, how long has it been since you smoked a cigar? Here's a good one—enjoy it at your leisure."

If you're a cigar manufacturer, cigar jobber, cigar dealer or a cigar salesman, it's up to you to MAKE MORE cigar smokers. Do it for their greater enjoyment and your own greater profit!

—o—

"Do you have to be connected with Bayuk to send contributions to the Bayuk Bulletin?"

No! No!! NO!!! This entire space, with the exception of Phil's own column, belongs to anyone in the cigar industry who possesses helpful ideas for the cigar industry. We'll even correct any misspelled words—provided we know how to spell 'em properly ourselves!

—o—

If you want to sell a box of cigars, what do you do?

Hold the box in your own hands and tell the potential purchaser how nice the wrapper is and a lotuv other sales points? That's okay BUT if you want to profit by the "association-of-contact," get the P. P. to hold the box in HIS HANDS while you are talking. More to the psychology of selling than we think sometimes!

—o—

Sell Cigars By the Box!

—o—

Father's Day, June 16th.

Phil M. Phulofax

D. B. I.

**Associated with* BAYUK CIGARS INC., *Philadelphia — Makers of fine cigars since 1897.*

A Selling Secret
by
Frank Trufax

The Frank Trufax letters, published in book form some years ago, attracted so many requests for copies that two editions were exhausted. In view of the continued demand, the editors have decided to republish the letters in the Bayuk Bulletin.

To My Salesmen:

I was looking over the orders the other day and I saw one from a dealer whom we had not been selling for at least a year. I am not going to tell you why he stopped buying but I am going to tell you that I was tickled pink to see him back on our books once again.

Our little selling-fool, Billy Keepatem, put it over—yes, he did. Hats off to Keepatem, boys!

"Well, Bill, how did you do it?" —said I to Bill at first opportunity.

"Nothing wonderful about it, Mr. Trufax," replied Bill. "That dealer sells a lot of stuff and I thought if he was worth *going after*, he was worth *keeping after*. I've been calling on him regularly once a week for nine months and—well, I landed him. That's all there is to it."

Did you get that one pithy phrase Bill pulled,—"If he was worth *going after*, he was worth *keeping after*."

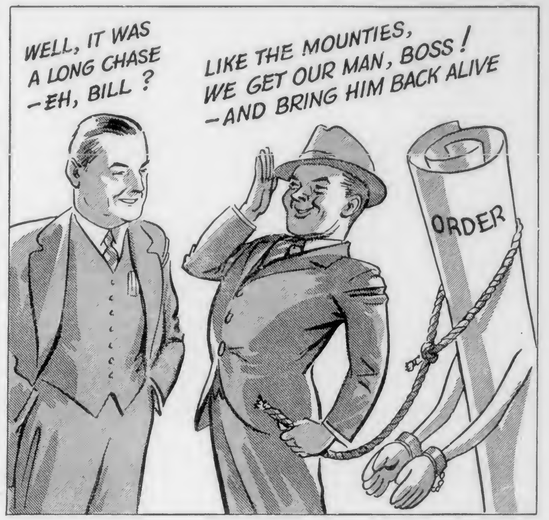
Manoman, there's the salient secret of selling success!!

If a dealer is worth going after to sell, he is worth keeping after until he is sold.

Let's all shoot that in our arms, boys, because that's doggoned good dope.

And that brings up two interesting queries. Here they are:

1—How many calls do salesmen make before they quit calling?



2—How often does a salesman call before the dealer buys?

Now, get me right, boys. I didn't personally conduct the investigation to get the answers to these two questions and I don't want to be facetious when I say I didn't get up the dictionary either but there's where I went to find out if I could get away with that "wicked" word "facetious." It is just as important to know *where* to find knowledge as it is to *have* knowledge.

Well, anyway, the investigation was carefully made and here's the findings:

Answering first question,—

48.2 salesmen made 1 call and quit
24.4 salesmen made 2 calls and quit
14.7 salesmen made 3 calls and quit
12.7 salesmen made 4 or more calls.

Go over those figures once again, boys,—they're intensely interesting. Then clear your mind to get full shock of this bodyblow of an answer to the second question:

60% of the sales made were on or after the *fifth call!!*

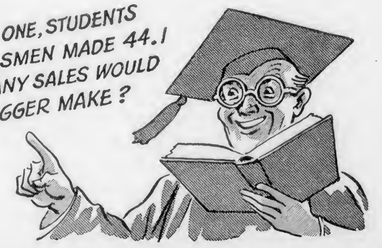
This investigation, of course, proves very little conclusively but it does emphasize this one thing,—88% of the salesmen "automatically eliminated themselves from consideration of 60% of the business because they quit before the dealer had been brought up to the buying point."

Boys, I don't want you to waste time watering dead plants but I do want you to keep digging around the live ones. You can never tell when the "No, not to-day" will change into "Yes, send 'em along." It may be on the fifth call; it may be on the fiftieth call; but as Billy Keepatem says,—

"If a dealer is worth *going after*, he's worth *keeping after*."

Yours, tilhesezyes,

Frank Trufax



Phillies
Bayuk Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

The importance of the American market as an outlet for various kinds of Cuban leaf tobacco is indicated by the fact that 99 per cent. of Cuban wrapper tobacco exports, 98 per cent. of stemmed leaf exports, and 98 per cent. of scrap tobacco exports went to the United States in 1939. The average value of shipments of wrapper tobacco to the United States was $153.60 per hundred pounds, as compared with $154.32 per hundred pounds to all countries. In 1938 the average value of wrapper tobacco exports to the United States was $181.31 per hundred pounds, a decrease of $27.71 per hundred pounds.

The average value of stemmed leaf exports to the United States in 1939 was $64.12 a hundred pounds ($68.12 in 1938), while the average price of stemmed leaf exported to all countries was $64.01. Scrap tobacco shipments to the United States last year had an average value of $26.88 per hundred pounds ($27.76 in 1938), the average price for all countries being $27.26 per hundred pounds. Slightly less than 12 per cent. of filler tobacco exports in 1939 went to the United States, at an average price of $49.46 per hundred pounds ($50.82 in 1938), the average price of filler exports to all countries being $22.27 per hundred pounds.

Cigar shipments to the United States in 1939 amounted to approximately 11 per cent. of total Cuban cigar exports. The average value of cigars exported to the United States in 1939, however, was $111.89 per thousand ($111.97 in 1938), as compared with an average price of $100.74 per thousand on all cigar exports and an average price of $104 per thousand on cigars shipped to the United Kingdom, Cuba's leading cigar market.

In addition to the United States, which took over 62 per cent. of the value of all Cuban tobacco exports in 1939, the ten leading markets for such products were the United Kingdom, Spain, Argentina, the Netherlands, France, Germany, Uruguay, Chile, Canada, and Peru. Sixty-three other markets altogether took tobacco products from Cuba in 1939, valued at $551,442, as compared with exports to forty-three other markets in 1938, valued at $561,177. In 1939 Cuba made successful efforts to expand its markets for tobacco, and even though many of these new markets took but small quantities of tobacco, they provided an entering wedge with possibilities of further expension.

Cuban exports to the United Kingdom, Cuba's best tobacco market after the United States, in 1939 included principally 16,559,798 cigars, valued at $1,718,375, as against 17,518,046 cigars, valued at $1,789,979, in 1938. Spain, which regained its position as Cuba's third-best market for tobacco products in 1938, maintained this position throughout 1939. The principal tobacco products purchased by Spain during 1939 consisted of 6,350,567 pounds of leaf tobacco, valued at $968,289 (6,513,217 pounds, valued at $898,757, in 1938); 2,582,387 cigars, valued at $146,141 (4,146,843, valued at $236,874, in 1938). Spain likewise took a quantity of cigarettes and smoking tobacco exported from Cuba. However, the amounts were considerably under those of 1938. Shipments to the Argentine consisted chiefly of 932,524 pounds of leaf tobacco, valued at $393,455 (1,252,024 pounds in 1938, valued at $613,810); 500,154 cigars, valued at $62,871 (613,160, valued at $73,469, in 1938).

The Netherlands jumped from ninth to fifth place among Cuba's customers. Exports to the Netherlands consisted of 2,180,091 pounds of leaf tobacco, valued at $320,153 (885,400 pounds, valued at $151,245, in 1938); 238,526 cigars, valued at $19,250 (133,419, valued at $10,394, in 1938); 1043 pounds of smoking tobacco, valued at $560 (none in 1938). Exports of Cuban tobacco products to the Netherlands showed an increase of 100 per cent. during 1939. This large advance was concentrated almost wholly in shipments during the latter three or four months of 1939.

Due to a decrease of exports during the last quarter of 1939, shipments of Cuban tobacco products to France showed a decline of approximately 10 per cent. in comparison with those of 1938, and consisted principally of cigars—2,544,867, valued at $294,830 (2,808,385, valued at $326,793, in 1938).

Cuba's tobacco export trade with Germany ceased completely after the first of September, 1939, and consequently Germany dropped from fifth to seventh place among Cuban markets for the calendar year 1939. Shipments to Germany consisted principally of leaf tobacco—1,835,626 pounds, valued at $242,846 (3,524,989 pounds, valued at $432,982, in 1938). Exports to Uruguay and Chile showed fair increases during 1939. However, exports to Peru advanced more than 65 per cent. Cuban tobacco exports to Canada fell approximately 50 per cent., due principally to the outbreak of the European war and the resulting restrictions placed on Canadian imports. Shipments to Canada were made up principally of leaf tobacco—212,061 pounds, valued at $94,101 (460,302 pounds, valued at $215,765, in 1938).

Evidently due to the resumption of the manufacture of cigarettes in Spain, total Cuban exports of cigarettes during 1939 showed a decrease of 7,430,071 units, or 24 per cent., when compared with 1938. The decrease in exports to Spain alone amounted to 9,705,608 cigarettes. This was made up to some extent by increased shipments to Panama and Peru.

TOBACCO AIR BILLINGS

The tobacco industry, showing a 100 per cent. increase for the first month of this year over January, 1939, now is the third leading industry in expenditures on the Blue and Red Networks of the National Broadcasting Company.

A breakdown of present NBC billings reveals the greatest weekly expenditure by tobacco interests in the history of radio. It shows a total of $133,100 an increase of 100 per cent. over January, 1939, when the weekly billings were $66,400, and an increase of 125 per cent. over weekly billings in January, 1938, when the figure was $59,100.

While the tobacco industry has jumped to third place in industry billings on NBC, being headed by drugs and food which have respective monthly gross billings of $1,500,000 and $1,250,000, indications at the present time are that weekly billings will continue to increase during the balance of the year.

Old Gold, manufactured by Lorillard, inaugurates a new series of weekly half-hour programs over an NBC-Red Network of sixty-two stations in April; R. J. Reynolds, in the interests of Camel cigarettes, started a new half-hour program over forty-four NBC-Blue Network stations on Saturday, February 24, and Axton-Fisher begins a local campaign this month utilizing fifty minutes of local time weekly, none of which are included in the weekly billing figure of $133,100.

HEARST ON CIGAR SMOKING

ASHTON STEVENS, columnist of the *Chicago Herald-American,* lately related in his column an amusing anecdote of his happy relation with his father, and asked readers of his column to contribute recollections of sympathetic association similar to his. William Randolph Hearst, editor-in-chief of Mr. Stevens' paper, submitted the following:

When I was a youngster of collegiate age I was sent to Harvard.

I do not know that I got much advantage out of my attendance there, but I have no doubt that the college benefited considerably by the contact, as I understand it has been doing very well ever since.

At that time my father was the only person in the world who, in my modest opinion, knew more than I did, although I have learned since, to my consternation, that quite a number of other people in this surprising world are gifted with thought reservoirs of a more spectacular order than my own.

My father liked a good cigar, so I believed that I did, and I asked him if Mr. Moses Gunst, who was a friend of my father's, and whose shop supplied the cigars, could send me a box monthly with which to regale myself and my friends at college.

My father agreed, so I dropped in at Mr. Gunst's emporium and carefully selected a Corona Corona Corona Suprema Superba which cost about a dollar a puff.

All went well until my father got the bill. Then, when he recovered his breath, he saw Mr. Gunst and said:

"Moses, that youngster does not know a good cigar from a piece of hay rope.

"Cut down on the cost—gradually, you know, so he will not notice."

My father was entirely right. I did not know that the cigars I began to receive were less good, but I did realize that they were different and I figured out that they were not being changed in the direction of improvement, as I had selected the best in the shop.

So I wrote a letter to Mr. Gunst to the general effect that something must have happened to the tobacco crop in Cuba, as I noticed that the cigars he was sending me were getting to be as poor as my standing with the college faculty.

Mr. Gunst showed the letter, and my father said: "Well, if the boy really knows the difference you had better send him the good ones. Cut down on mine."

And my father might have been reduced to smoking stogies like another later idol of mine, Calvin Coolidge, if a fellow who had been suspended from Oxford had not come over to Harvard and made pipes popular.

I have always, however, felt the bitter pang of remorse in after years about the several weeks that my father smoked cigars with only one Corona to their name.

CANADIAN FIGURES

According to an unrevised statement issued by the Canadian Department of National Revenue, there were entered for consumption in Canada during January 1940, 1,967,491 pounds of cut tobacco, 252,797 pounds of plug tobacco, 65,972 pounds of snuff, 634,271,934 cigarettes, and 9,897,643 cigars. During January 1940, excise tax was paid on 22,068,948 cigars.

HAHN NAMED PRESIDENT

At the annual board meeting of the American Cigar & Cigarette Co., today, Paul M. Hahn, assumed the presidential duties of that firm. He succeeded Albert H. Gregg, who has headed the Pall Mall cigarette, and International cigar brands manufacturing concern for the past few years.

Mr. Gregg's retirement, effective today, was explained in a letter to stockholders and customers. In it he stated:

"This it seems to me, is an appropriate time for me to turn over the company's affairs to younger hands. Pall Mall cigarettes are climbing steadily in popular favor, and our cigar brands continue to be the outstanding leaders in their respective fields."

The new executive will not be deprived of Mr. Gregg's valued association. As Mr. Gregg continues in his statement, "I shall continue as a director of the company with the keenest interest in its affairs, and shall be available to render all possible assistance to my successor."

Mr. Gregg came to the American Cigar & Cigarette Co., as president from the distributing firm of Faber, Coe & Gregg. He was one of the founders of that concern.

Paul M. Hahn, is a former member of the law firm of Stanchfield & Levy. He has been active in the affairs of American Tobacco Company for some time. And leaves a post as vice-president with that firm to assume the executive office in American Cigar & Cigarette.

Mr. Gregg's retirement comes after nearly forty years' experience in the tobacco industry.

ACREAGE ALLOTMENT CHANGE

THE Agricultural Adjustment Administration has announced a change in the provisions for establishing flue-cured and Burley tobacco acreage allotments. The change, which will be effective in 1941 and later years, will allow farmers who so desire to grow somewhat less tobacco than their 1940 allotments without affecting the size of their future allotments or quotas. Under the new provision, if a producer grows as much as half of his 1940 allotment, his allotment for 1941 and later years will be determined just as though an acreage as large as the allotment had been grown in 1940. Likewise, if less than half of the allotment is grown on any farm in 1940, the allotment for 1941 and later years, unless the local committee determines that no effort was made to grow tobacco in 1940, will be determined as though one-half of the 1940 allotment had been grown.

Commenting on the change, J. B. Hutson, Assistant AAA Administrator said, "This change recognizes that in view of the existing tobacco surplus and prospects for relatively low prices, some farmers would prefer temporarily to plant a smaller acreage of tobacco than their allotment calls for.

"The change was requested at recent conferences where grower representatives agreed that the supplies of Burley and flu-cured tobacco now on hand are so large that it will be helpful if the acreage of tobacco grown in 1940 is less than the acreage allotted for this year. It was agreed that farmers should be informed of the situation and that they be asked to plant well within and below their allotments so as to help bring supplies in line with demand more rapidly.

"In the case of both flue-cured and Burley tobacco the final estimates of the 1939 crop are approximately 10 per cent. greater than the estimate of the crop at the time the 1940 marketing quotas were fixed. Consequently, the 1940 quotas are fully 10 per cent. larger than the quotas which could have been fixed had the final crop figures been available when the quotas were proclaimed.

"The 1939 crop of flue-cured tobacco was estimately at approximately one billion pounds when the marketing quota was proclaimed in September 1939, while the final estimates place the crop at over 1,100 million pounds, which is more than 300 million pounds above the estimated world consumption of United States flue-cured tobacco for the year. The 1939 crop of Burley tobacco was estimated at 365 million pounds when the quota was proclaimed in November 1939, while more recent estimates place the crop at approximately 390 million pounds, or fully 60 million pounds in excess of estimated world consumption of Burley tobacco for the year."

PHILIPPINE TOBACCO EXPORTS

The Philippine leaf tobacco export trade during the first eleven months of 1939 totaled 19,120,579 kilograms, or almost three times greater than shipments in the corresponding months of 1938, which amounted to 6,417,309 kilograms. According to report, this improvement was due to heavily increased exports to the United States and Spain during November 1939.

During the first eleven months of 1939, Phiiippine cigar shipments to the United States reached 187,690,707 units, a gain of 10 per cent. over 171,106,230 in the like period of 1938. Exports to "Other Countries" advanced 45 per cent. to 10,612,227 units, from 7,343,132 in the eleven-month period of 1938.

The Philippine tobacco market showed the usual seasonal quietness in January 1940, with the export demand extremely quiet. Leaf tobacco exports in January 1940 were extremely small, amounting to 93 per cent. less than in January 1939. This decline was undoubtedly a reaction from the excessive shipments made during October and November 1939, in anticipation of the imposition of United States quotas effective in the 1940 crop. Cigar exports to the United States were very satisfactory, the total gaining 36 per cent. over December 1939, and 54 per cent. over January 1939. Cigar shipments to other countries were also fairly substantial, advancing 79 per cent. over those of December 1939, and declining less than 1 per cent. as compared with January 1939. Transplanting the 1940 tobacco crop in Cagayan and Isabela districts was practically completed during January.

It is reported that serious opposition has developed in the Philippine National Assembly to the bill providing for the organization of a National Tobacco Corporation, capitalized at 10,000,000 pesos. The stated object of the bill is to stabilize the tobacco industry, and the Corporation would be authorized to engage in the manufacture and distribution of cigars and cigarettes. The manufacturing provisions are especially opposed. It is now probable that the bill will not pass without substantial amendments.

LIGGETT & MYERS PROFITS

The Liggett & Myers Tobacco Co. showed increased profits in 1939 despite a decrease in sales, J. W. Andrews, president, reported at the annual meeting this week.

The improvement in earnings, Mr. Andrews said, was due to lower factory costs and advertising expenditures. The decline in sales amounted to, roughly, $5,000,000, and was due partly to imposition of additional state cigarette taxes, he added.

The European war, he continues, has had very little effect on the company's business, and there has been little trouble in getting leaf tobacco into the United States from Europe, and it appears as if Turkish leaf tobacco costs may be slightly lower this year.

More than half the company's supply of cigarette paper is obtained in the United States. The rest comes from France. The quality of the American paper is as good as French paper, Mr. Andrews said, and the price is favorable.

While disclaiming any accurate information on the subject, Mr. Andrews expressed his belief that ten cent cigarettes were holding their own, but were not making any particular gains. Sales of these brands, he pointed out, are apt to follow employment conditions.

In connection with cigarette taxes, Mr. Andrews pointed out that New York, Massachusetts, Rhode Island, New Hampshire and Wisconsin all had adopted two-cent levies, while Washington boosted its tax from one to two cents. In addition, St. Louis imposed a two-cent tax.

Leaf tobacco costs this year should be lower, he added, pointing out that the 1939 flue-cured crop averaged just over fifteen cents a pound against twenty-two cents, while burley averaged over seventeen cents, against nineteen cents for the 1938 crop.

Preferred stock holdings of Liggett & Myers, carried at $2,839,435, consisted of United States Steel and General Motors, Mr. Andrews said.

GREEN RIVER PRICES

GREEN RIVER tobacco sold at considerably lower average prices this season than last, according to the Agricultural Marketing Service. Leaf grades were from $1 to $4.50 a hundred lower. Lugs showed decreases of from 75 cents to $3.25 a hundred, and tips from $1.50 to $3.25 a hundred. Lugs and the lower quality leaf grades showed the largest percentages of decrease. A large proportion of the 6,654,281 pounds delivered to the Stemming District Tobacco Association consisted of these grades. Deliveries to the Association amounted to 38 per cent. of the first hand sales as compared with only 6 per cent. last season.

The sales were composed principally of fair and good quality heavy leaf, low and fair quality thin leaf, and low to good quality lugs. Lugs predominated. Heavy leaf was sold in relatively larger volume than last season. The percentage of nondescript showed a sharp decrease. The crop contained a large percentage of what is commonly known as gray-faced tobacco. This tobacco was considered undesirable by some manufacturers and their normal purchases of Green River were greatly reduced.

First hand sales of Green River tobacco for the 1939-1940 season were reported as 17,538,248 pounds as compared with 14,549,537 pounds sold last season. Producers received $1,300,035 for this year's crop and $1,397,470 for last year's crop. As compared with last season, an increase of 20 per cent. in poundage brought 7 per cent. less money. The average price for the 1939 crop was $7.41 a hundred; the 1938 crop averaged $9.60.

Stocks of Green River tobacco owned by dealers and manufacturers on January 1, 1940 amounted to about 23 million pounds and were slightly over 2 million pounds higher than on January 1 of last year.

Owensboro opened for the season on December 7, Henderson on December 8, and Madisonville on December 9. Owensboro closed for the season on March 8, Henderson on March 14, and Madisonville on March 15.

P. LORILLARD ELECTION

At the annual meeting of the stockholders the following were elected directors of P. Lorillard Company: Edgar S. Bowling, John J. Driscoll, J. Strother Freeman, James A. Glascock, Frank Hopewell, George H. Hummel, James T. Keel, Herbert A. Kent, Buford Scott, Harry A. Stout, Jaquelin P. Taylor, Todd Wool and George D. Whitefield.

At a board of directors meeting held after the annual meeting on March 12th, G. H. Hummel was re-elected president, G. D. Whitefield was elected executive vice-president, H. A. Stout was re-elected vice-president and treasurer, E. S. Bowling and H. A. Kent were elected vice-presidents to fill vacancies, Todd Wool was re-elected secretary, W. J. Halley was elected comptroller, Sidney Kelly was re-elected auditor, L. E. Clemens was re-elected assistant secretary and treasurer, G. H. Smith and E. C. Hunter were re-elected assistant auditors.

H. A. Kent is in charge of the company sales of Old Gold and Sensation cigarettes, and F. Hopewell is in charge of the company sales of tobaccos. W. Goldstein will remain in charge of the company sales of large cigars and L. Gruber in charge of the company sales of little cigars, Turkish cigarettes and Van Bibber cigars.

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FRIES & BRO., 92 Reade Street, New York

JOHN H. DUYS

John H. Duys, president of H. Duys Company, Inc., of 141 Water Street, New York, died of pneumonia at the Lenox Hill Hospital on March 4th. He would have been sixty-one years old on March 21st. Among the throng who attended the services at the Campbell Funeral church on March 6th were scores of men prominent in the cigar and leaf tobacco industries.

Mr. Duys was not only one of the foremost figures in the leaf tobacco trade, but was also prominently identified with every movement which aimed to increase cigar consumption. Realizing that the interests of the leaf tobacco industry and the cigar manufacturing trade were inseparable, he was one of the organizers of the Associated Cigar Manufacturers' and Leaf Tobacco Dealers' Association. During the existence of this organization Mr. Duys served continuously as president. He served also as one of the directors of the Cigar Progress Board, formed in 1935.

Mr. Duys came to this country at the age of sixteen from the cigar manufacturing center of Nymwegen in the Netherlands, where he was born. His first American connection was with the leaf tobacco dealers, Schroder & Bon. Later, he joined his father and uncle in the firm of H. Duys & Company, which was founded in 1900. In 1917, upon the death of his father, he became president. The firm is a principal importer of Sumatra and Havana tobaccos, as well as large packers of Connecticut leaf.

Mr. Duys is survived by his widow, Mrs. Bertha Marie Duys; his son, John H. Duys, Jr., of Havana, Cuba; his daughter, Mrs. S. Holst-Knudsen of New York; his sister, Miss Nellie Duys of The Hague, Netherlands; and his brother, Henry M. Duys, of Montclair, N. J.

B. & W. BROADCAST CHANGES

Realignment of the NBC programs presented by the Brown & Williamson Tobacco Corporation, including the dropping of "Avalon Time," is planned by the company with the advent of daylight saving time.

"Home Town," currently heard on Sundays, will replace "Avalon Time," effective Wednesday, May 8th, in the 8:30-9:00 P. M., E. D. S. T., spot over seventy-four NBC-Red Network stations. "Plantation Party," now heard Friday nights over the NBC-Blue Network, will switch to Saturday night spot on an NBC-Red Network of seventy-seven stations, effective May 4th, when it is broadcast from 8:30 to 9:00 P. M., E. D. S. T. "Uncle Walter's Dog House" will continue to be heard over seventy-two NBC-Red Network stations Tuesdays from 10:30 to 11:00 P. M., E. D. S. T.

Brown & Williamson presents the Dog House in the interests of Sir Walter Raleigh pipe tobacco; Home Town for Raleigh cigarettes, and Plantation Party for Bugler tobacco.

EXPERIMENTS IN EGYPT

The cultivation of tobacco in Egypt is prohibited and since the volume of tobacco consumed in that country amounts to some 6,000,000 kilograms per year, considerable pressure has been brought on the Government to allow its cultivation. Experiments are now being carried out under the direction of the Egyptian Ministry of Agriculture to see if a suitable quality can be grown locally, and it is reported that the Egyptian agricultural attache in Washington has sent some eleven samples of tobacco seed grown in the United States for the purpose of making experiments during 1940 for the production of tobacco in Egypt. Tobacco grown in the United States, and known as "Virginia," is now given increased preference by Egyptian consumers. The leaf tobacco import trade of Egypt with the United States during the first ten months of 1939 reached 569,259 kilograms, a 23 per cent. improvement over 464,199 in the corresponding period of 1938.

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TOBACCO SITUATION IN ERIN

No tobacco import and export statistics covering the period since the beginning of the present European situation are available through the Irish Government. According to report, the rehandling of the 1939 crop, which was grown by 230 growers on 300 acres, was to be finished by the end of January, 1940, and it was indicated that the final packed weight of the crop will be approximately 200,000 pounds. The nature of the season adversely affected both the yield and quality of the crop for a large number of growers. Although January is the time for receiving applications for licenses to grow tobacco in the 1940 season, it was too early to predict whether the number of applications will be reduced. It was believed that they will be, on account of war conditions, which favor the increased production of food crops. The Tobacco (Acres for 1939) Order, 1938, made on December 30, 1938, under sub-section (1) of Section 11 of the Tobacco Act, 1934, fixed in respect to the year 1939 the maximum total number of acres which may be planted with tobacco at 1500, and the maximum number of acres which may be planted by any one person at six. The minimum area which may be so planted by any one person, other than a person who satisfies the Minister for Agriculture that he proposes to grow tobacco in such year for experimental purposes, was fixed at half an acre. Despite these allowances, only 300 acres were planted in tobacco.

AMERICAN TOBACCO PROGRAMS

On Monday, April 1, the American Tobacco Company starts a series of two-and-one-half minute transcriptions in behalf of Lucky Strike cigarettes, over WABC. The transcriptions are to be presented thrice daily, Monday through Saturday, on the hour at 7 A. M., 1 A. M. and 2 A. M. This marks the first sale of the latter two very early morning spots on WABC.

The transcriptions will consist of a time signal, and of a musical number corresponding, on that week's Hit Parade, to the time just announced. Thus at 7 o'clock, the selection will be tune No. 7 that week on the Lucky Strike Hit Parade. The transcriptions will be made especially for these broadcasts by regular Hit Parade artists including Barry Wood, Bea Wain, Mark Warnow and his orchestra; Orrin Tucker and his orchestra with Bonnie Baker, and Kay Kyser and his orchestra.

The Hit Parade is heard each Saturday, 9:00-9:45 P. M., rebroadcast 12 midnight-12:45 A. M. over a network of 101 CBS stations.

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Boite Nature — Novelty
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Are Outstanding In
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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

MAPETON:—46,771. For cigars, cigarettes and smoking tobacco. Registered by Fleming Hall Co., Inc., New York, N. Y., on March 7, 1940.

TRANSFERRED REGISTRATIONS

LA IMPORTANCIA:—17,356 (United States Tobacco Journal). For cigars. Registered May 16, 1895, by Ghio Rovira, New York, N. Y. Transferred by Benito Rovira & Co., Norristown, Pa., successors to the original registrants, to A. Gutierrez, Inc., Passaic, N. J., on March 4, 1940.

ROYMONT:—36,321 (United Registration Bureau for the Tobacco Industries), and **21,622** (Tobacco World). For cigars, cigarettes, cheroots and tobacco. Registered February 6, 1911, and February 13, 1911, respectively, by American Litho. Co., New York, N. Y. Transferred to Wertheimer Bros., Baltimore, Md., and re-transferred to I. Lewis Cigar Mfg. Co., Newark, N. J., on March 8, 1940.

CASA MARINA:—41,586 (Tobacco Merchants Association of the United States). For all tobacco products. Registered January 22, 1920, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., who had taken over the cigar label department of the registrant, to Key West Havana Cigar Co., Key West, Fla., on December 1, 1939.

EL ROLADA:—22,595 (United States Patent Office). For cigars. Registered February 15, 1921, by Supreme Cigar Co., Poplar Bluff, Mo. Through mesne transfers acquired by American Box Supply Co., Detroit, Mich., and re-transferred to I. Lewis Cigar Mfg. Co., Newark, N. J., on November 15, 1939.

DECREE:—29,632 (Tobacco Leaf Publishing Co.), and **30,261** (United States Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered on May 15, 1905, by American Litho. Co., New York, N. Y. Also **12,730** (United States Patent Office). For cigars. Registered on March 27, 1906, by H. Sommer & Co., Quakertown, Pa. Transferred to American Box Supply Co., Detroit, Mich., and re-transferred to I. Lewis Cigar Mfg. Co., Newark, N. J., on November 15, 1939.

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of December

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	3,763,223	— 526,707	12.28
Twist	448,759	+ 8,424	1.91
Fine-cut Chewing	323,309	— 58,733	15.37
Scrap Chewing	3,195,678	— 936,855	22.67
Smoking	14,420,982	— 1,159,311	7.44
Total	22,151,951	— 2,673,182	10.77

Twelve Months Ending December 31st

Product	1939	Increase or Decrease Quantity	Per Cent.
Plug	51,489,125	— 3,005,521	5.52
Twist	5,733,348	+ 74,494	1.32
Fine-cut Chewing	4,513,769	— 58,577	1.28
Scrap Chewing	41,544,979	— 1,230,987	2.88
Smoking	202,252,262	+ 1,558,671	0.78
Total	305,533,483	— 2,661,920	0.86

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

It is to be noted, however, that the totals for the calendar year 1938 set forth above are those reported in the annual report of the Commissioner of Internal Revenue.

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Internal Revenue Collections for February

Source of Revenue	1940	1939
Cigars	$ 900,677.53	$ 863,802.57
Cigarettes	39,488,569.78	35,345,829.49
Snuff	566,020.12	536,193.25
Tobacco, chewing and smoking	4,268,908.13	4,042,256.15
Cigarette papers and tubes	122,903.22	49,490.22
Leaf dealer penalties	.....	86.87

BERNIE PROGRAM TO SHIFT

Effective April 10th, "Ben Bernie and All the Lads," American Tobacco Company program broadcast over fifty-three CBS stations in behalf of Half and Half smoking tobacco, will shift from its present Sunday evening period to Wednesdays, 8:00-8:30 P. M., rebroadcast 12 midnight-12-30 A. M. The program is now presented 5:30-6:00 P. M., with a rebroadcast at midnight.

Featured with Ben Bernie on the series, which started broadcasting over the Columbia Network sixty weeks ago, are Lew Lehr, dialectician-comedian; Buddy Clark, Dinah Shore, and the Bailey Sisters rhythm duet. The programs feature both sweet and swing music by Bernie's orchestra, as well as specialty numbers and comedy.

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TOBACCO WORLD

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WHO FATHERED FATHER'S DAY? CIGAR INDUSTRY

Don't forget, it was the cigar industry that pioneered in the promotion of Father's Day.

It did not happen by accident that the annual tribute to Dad has now reached the point of offering the best opportunity in the year, with the single exception of the Christmas holidays, for additional sales of cigars in substantial volume.

The entire industry has profited from the window posters, counter cards, lapel buttons and special Father's Day wrappers which Bayuk and other manufacturers have used to promote the day.

It needs only the co-operation of all —manufacturers, distributors and dealers—to make Father's Day of 1940 the greatest of them all in number of cigars sold for presentation to Dad on his day, June 16.

Copyright 1940, Liggett & Myers Tobacco Co.

Hobart B. Hankins—*Editor* *Business Manager*—B. S. Phillips

THE TOBACCO WORLD

Vol. 60 MAY, 1940 No. 5

FATHER'S DAY, we repeat, will be celebrated this year on June 16th, and the most ambitious, most comprehensive, most persistent campaign to make the American public Dad-conscious is being carried out. Cigars, cigarettes, other tobacco products, and smoking requisites are gifts that are custom-made for this annual occasion. Manufacturers, wholesalers and retailers should cash in big on the event. Those who do can thank their advance salesmanship and promotion. Those who don't can thank their inertia, which is high-hat for laziness.

▲

A POLL of more than a hundred members of the Chicago Sales Executives Club brought out the amazing fact that out of 624 salesmen discharged, 196, or nearly one out of three were dropped because of lack of industry. This coincides with other analyses that have been made. So it is believed that the reason most salesmen fail is lack of application. Or, to put it more bluntly, they are not willing to pay the price of sales success, which is WORK. Thus, the problem of sales management is to get salesmen to make more calls, to see more prospects, to devote more energy to studying their line and the problems of their buyers, to do a better planning and self-management job. A certain percentage of babies born into the world are apparently born lazy. It is inevitable that some of them find their way into sales work. But that which is sometimes labeled laziness in a salesman might quite likely be something else. It may be lack of interest in the job, and, if so, the salesman should quit for the good of his own soul. It might be too much night life; overeating, lack of enthusiasm. Assuming that some men don't like to work, and that some men have to be made to work, the fact remains that seldom is a man so hopelessly lazy that he won't work if he wants to work. As a matter of academic interest, here is a breakdown of why 624 salesmen failed: Lack of industry, 196, or 31 per cent.; failure to follow instructions, 72, or 12 per cent.; inadequate knowledge, 70, or 11 per cent.; lack of fighting spirit, 64, or 10 per cent.; lack of determination, 60, or 9 per cent.; dishonesty, 52, or 8 per cent.; lack of enthusiasm, 48, or 7 per cent.; lack of tact, 28, or 4 per cent.; drinking and gambling, 24, or 3 per cent.; poor health, 4, or 1 per cent.

▲

WHEN things wear out, they are thrown away; but while we label used-up products as waste, they are not really wasted at all, if they served their time and place. Even junk is reclaimed and used again in some form. Real waste is something else. It is the failure to use something which is valuable, which is usable and should be used. For instance, sales ideas. Every salesman should be both a receiving and a sending station. His mental wireless should be strung up to catch and absorb all sales ideas that come his way—from reading, from observation, from discussion with other salesmen. For how is he going to give out the best if he does not take in the best. The salesman who ignores sales ideas or suggestions, who is not open to changes and better sales methods, is wasting his own and his company's opportunities. The salesman who is mentally receptive, but who does not employ a fraction of the ideas he observes or absorbs, is wasting opportunity. Of the two types, the latter is the one to be more harshly criticized, because he has the receiving equipment that the first type either lacks or neglects, and although taking in he fails to give out. Habit is the answer! Steadily, insidiously, salesmen fall into a routine. Their thinking, their speech, their presentation becomes as fixed as the lines in the palms of their hands. They settle into a mental rut—a rather uncomfortable one, because when you disregard new ideas, and depend on the same old way, there's really nothing to bother you much—except perhaps that you don't make enough money to satisfy your wife and family. But then, we can't have everything. Guard against habit, that greatest thief of initiative and progress. If any class of men should be mentally awake, alert, observant, and up-and-coming, it should be salesmen. Don't waste any good idea. Adopt it.

▲

A LOT of fun has been poked at Dale Carnegie. It's true he put together all the old saws and tossed in a number of bromides in his book, "How to Win Friends and Influence People." But he made a fortune doing it, and American's can't laugh that off. Sometimes it is valuable and profitable to bone up on the old maxims. They are as true today as when they were written. We often get too far away from the fundamentals. One thought of Carnegie's that is peculiarly applicable to salesmanship is the re-emphasis that he put on the value of appealing to your customer's sense of importance. "Making people feel important," writes Carnegie, "goes to the root of the whole problem of human relations. Too many of us take the good work of our associates for granted. We take too literally the old saying that virtue is its own reward. If a salesman will find out what good work his customer has done, and praise that work, he will automatically increase his chance of selling that man." Carnegie does not mean idle flattery. He means for you to look around the customer's place of business and discover things that you can be sincere in praising. He means that if you hear your customer spoken of in a praiseworthy way by others, it costs you nothing to tell him about it, and it may help you to make a sale.

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March Withdrawals Register Decline

Gains from Philippine Islands and Puerto Rico Alone Saves the Month from a Solid Parade of Minus Signs

IN the most dismal comparative report for many a month, only the Philippine Island and Puerto Rico withdrawals prevented a continuous parade of minus signs in the statement of March withdrawals for consumption, as revealed in the supplement to the Tobacco Barometer of the Tobacco Merchants Association of the U. S. As it was, P. I. withdrawals gained in cigar Classes A, B, C and E, in total of all classes, and in large cigarettes; P. R. withdrawals were ahead in cigar Classes A and C, and in total of all classes; the two possessions together accounting for 10 plus signs. All the other 26 signs in the table below are minus, as a glance will show.

U. S. cigars of all classes totaled 397,490,431, as compared to 437,584,196, a decline of 40,093,765, or 9.16 per cent. A P. I. gain of 503,256 and a P. R. gain of 23,900 combined to reduce this loss to 8.67 per cent.

Most of the loss was in Class A, the U. S. total of 360,926,005 comparing to 398,196,675, a difference of 9.36 per cent. The P. I. and P. R. increases reduced this to 8.83 per cent.

Class B in the U. S. totaled 2,835,887, as compared to 3,158,703, a decrease of 322,816, or 10.22 per cent. Here the small P. I. withdrawals were almost doubled, but the P. I. withdrawals dropped 4,350, so that the net result for the class was a 10.12 per cent. loss.

Class C in the U. S. totaled 31,431,274, as compared to 33,710,080, a drop of 2,278,806, or 6.76 per cent. P. I. and P. R. withdrawals both increased in this class, but the quantity was only sufficient to reduce the decrease to 6.74 per cent.

Class D in the U. S. totaled 2,119,123, as compared to 2,286,338, a decline of 167,215, or 7.31 per cent. This grew to 7.51 per cent. when the P. I. loss was added.

Class E in the U. S. totaled 178,142, as compared to 232,400, a decrease of 54,258, or 23.35 per cent. The total of 95,370 P. I. withdrawals, against nothing in the same month last year, wiped out this loss and showed the class as a whole with the only plus sign of the month, 17.69 per cent.

Little cigar withdrawals of 11,494,900 represented a loss of 4,268,073, or 27.08 per cent.

Cigarettes in the U. S. totaled 13,020,617,490, as compared to 14,243,656,930, a drop of 1,223,039,440, or 8.59 per cent. P. I. and P. R. withdrawals dropped at the same rate.

Large cigarettes declined 36,735, or 19.57 per cent.; snuff, 36,735 pounds, or 10.42 per cent.; chewing and smoking tobacco, 1,671,016 pounds, or 6.42 per cent.

Following are the comparative figures:

Product	March, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	360,926,005	—	37,270,670	9.36
Philippine Islands	19,299,560	+	407,965	2.16
Puerto Rico	42,350	+	24,450	....
Total	380,267,915	—	36,838,255	8.83
Class B—				
United States	2,835,887	—	322,816	10.22
Philippine Islands	7,450	+	4,047	....
Puerto Rico	27,650	—	4,350	13.59
Total	2,870,987	—	323,119	10.12
Class C—				
United States	31,431,274	—	2,278,806	6.76
Philippine Islands	39,266	+	374	....
Puerto Rico	18,050	+	4,300	....
Total	31,488,590	—	2,274,132	6.74
Class D—				
United States	2,119,123	—	167,215	7.31
Philippine Islands	2,000	—	4,500	....
Puerto Rico	.....	—	500	....
Total	2,121,123	—	172,215	7.51
Class E—				
United States	178,142	—	54,258	23.35
Philippine Islands	95,370	+	95,370	....
Puerto Rico	.....		.....	....
Total	273,512	+	41,112	17.69
Total All Classes:				
United States	397,490,431	—	40,093,765	9.16
Philippine Islands	19,443,646	+	503,256	2.66
Puerto Rico	88,050	+	23,900	....
Grand Total	417,022,127	—	39,566,609	8.67
Little Cigars:				
United States	11,494,900	—	4,268,073	27.08
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	11,494,900	—	4,268,073	27.08
Cigarettes:				
United States	13,020,617,490	—	1,223,039,440	8.59
Philippine Islands	9,900	—	75,250	....
Puerto Rico	355,060	—	274,940	....
Total	13,020,982,450	—	1,223,389,630	8.59
Large Cigarettes:				
United States	149,590	—	18,110	10.80
Philippine Islands	1,375	+	1,375	....
Puerto Rico	.....	—	20,000	....
Total	150,965	—	36,735	19.57
Snuff (lbs.):				
All United States	3,205,843	—	372,910	10.42
Tobacco (Chewing and Smoking) lbs.:				
United States	24,343,900	—	1,671,016	6.42
Philippine Islands	.....		.....	....
Total	24,343,900	—	1,671,016	6.42

Cigars and Cigarettes Ahead for 9 Mos.

Report for First Three Quarters of Fiscal Year Shows Gains Reduced and Losses Raised by March Decline

GAINS were reduced and losses increased all along the line in nine months' withdrawals for consumption as a result of the general drop in March, it is shown in the report for the first three-quarters of the fiscal year, contained in the supplement to the Tobacco Barometer of the Tobacco Merchants Association of the U. S. Cigars and cigarettes alone remained in the plus column, although with reduced percentages, for the period. There were minus signs noted against little cigars, large cigarettes, snuff, smoking and chewing tobacco.

Cigars of all classes in the U. S. totaled 3,964,136,408 as compared to 3,908,405,272, an increase of 55,731,136, or 1.43 per cent. P. I. and P. R. withdrawals, with gains of 19,151,298 (13.64 per cent.) and 77,220 (6.11 per cent.) respectively, brought the grand total to 4,125,017,413, as compared to 4,050,057,759, a gain of 74,959,654, or 1.85 per cent.

Class A cigars in the U. S. totaled 3,536,014,095, as compared to 3,466,992,690, an increase of 69,021,405, or 1.99 per cent. P. I. and P. R. withdrawals, with gains of 18,965,655, or 13.56 per cent., and 98,820, brought the Class A total to 3,695,627,985, as compared to 3,607,542,105, an increase of 88,085,880, or 2.44 per cent.

Class B cigars in the U. S. totaled 31,537,997, as compared to 35,939,586, a decline of 4,401,589, or 12.25 per cent. P. I. and P. R. gains, however, reduced this to 11.91 per cent.

Class C cigars in the U. S. totaled 365,807,138, as compared to 374,946,700, a drop of 9,139,562, or 2.44 per cent. P. I. gained 30,646, and P. R. lost 100,600, making a total loss of 9,209,516, or 2.45 per cent.

Class D cigars in the U. S. totaled 27,132,238, as compared to 27,159,990, a loss of 27,752, or 0.10 per cent. A P. I. gain of 34,978 more than overcame a P. R. loss of 1,600 to change the total into a gain of 0.02 per cent.

Class E cigars in the U. S. totaled 3,644,940, as compared to 3,366,306, an increase of 278,634, or 8.28 per cent. This was raised to 11.15 per cent. by more than a quadrupling of the P. I. figures.

Little cigars declined 10.32 per cent.

Cigarettes in the U. S. totaled 129,020,137,997, as compared to 123,701,225,861, an increase of 5,318,912,136, or 4.30 per cent. Losses in P. I. and P. R. withdrawals were not of sufficient volume to change the percentage.

Large cigarettes totaled altogether 2,055,563, for a loss of 3.53 per cent., despite a P. I. gain.

Snuff declined 685,338 pounds, or 2.39 per cent.; smoking and chewing tobacco, 1,997,222 pounds, or 0.88 per cent.

Following are the comparative figures:

Product	1st 9 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,536,014,095	+	69,021,405	1.99
Philippine Islands	158,800,240	+	18,965,655	13.56
Puerto Rico	813,650	+	98,820	....
Total	3,695,627,985	+	88,085,880	2.44
Class B—				
United States	31,537,997	—	4,401,589	12.25
Philippine Islands	93,434	+	20,121	....
Puerto Rico	182,850	+	80,600	....
Total	31,814,281	—	4,300,868	11.91
Class C—				
United States	365,807,138	—	9,139,562	2.44
Philippine Islands	273,024	+	30,646	....
Puerto Rico	343,000	—	100,600	....
Total	366,423,162	—	9,209,516	2.45
Class D—				
United States	27,132,238	—	27,752	0.10
Philippine Islands	242,846	+	34,978	....
Puerto Rico	2,200	—	1,600	....
Total	27,377,284	+	5,626	0.02
Class E—				
United States	3,644,940	+	278,634	8.28
Philippine Islands	129,761	+	99,898	....
Puerto Rico	.....		.....	....
Total	3,774,701	+	378,532	11.15
Total All Classes:				
United States	3,964,136,408	+	55,731,136	1.43
Philippine Islands	159,539,305	+	19,151,298	13.64
Puerto Rico	1,341,700	+	77,220	6.11
Grand Total	4,125,017,413	+	74,959,654	1.85
Little Cigars:				
United States	106,833,196	—	12,298,710	10.32
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	106,833,196	—	12,298,710	10.32
Cigarettes:				
United States	129,020,137,997	+	5,318,912,136	4.30
Philippine Islands	721,540	—	931,230	....
Puerto Rico	2,857,860	—	424,720	....
Total	129,023,717,397	+	5,317,556,186	4.30
Large Cigarettes:				
United States	1,881,388	—	42,069	2.19
Philippine Islands	3,175	+	2,054	....
Puerto Rico	171,000	—	35,261	....
Total	2,055,563	—	75,276	3.53
Snuff (lbs.):				
All United States	28,008,528	—	685,338	2.39
Tobacco (Chewing and Smoking) lbs.:				
United States	225,768,919	—	1,997,123	0.88
Philippine Islands	54	—	99	....
Total	225,768,973	—	1,997,222	0.88

Retailers Ready for Convention

STRESSING the theme that cooperative action under trade association sponsorship characterizes and typifies the principles under which this country has established the worth of the American way, the members of Retail Tobacco Dealers of America, Inc., will convene for their Eighth Annual Meeting on May 16, 17 and 18, 1940, at the Hotel Pennsylvania, New York. Every effort will be made to provide interesting and instructive business sessions, and many of the trade leaders will be present to express their views on important problems confronting the industry. On the entertainment side there will be many events that are sure to give much enjoyment.

One of the entertainment features will be the showing on the evening of May 17th of Warner Brothers' recent outstanding moving picture "Dr. Ehrlich's Magic Bullet" starring Edward G. Robinson. Reviewed by critics as one of the finest films ever produced, "Dr. Ehrlich's Magic Bullet" will do much to enhance the welfare of the cigar industry—to stimulate increased cigar consumption and to promote the prestige of cigar smoking. It presents the hero smoking cigars constantly all through the picture. What's more—he smokes them like a connoisseur—savors them, relishes them, and gives them credit for inspiring his best ideas.

Producers of all tobacco products and allied lines are invited to exhibit at the three-day Tobacco Show, a logical forum at which the manufacturers can display their products to profitable advantage. In conjunction with the convention, Retail Tobacco Dealers of America, Inc., publishes the "Tobacco Retailers' Almanac." This book numbering many enlightening articles goes forth to thousands of retailers in all parts of the country and to hundreds of the nation's leading university and public libraries.

The program thus far arranged, though not complete, is as follows:

Thursday, May 16th, 8:00 P. M.—Official opening of Tobacco Show—Industry Get-Together—entertainment—dancing—registration of members—appointment of committees.

Friday, May 17th, 10:00 A. M.—First business session—convention chairman, Clifford M. Dawson—opening address—John Maute, executive vice-president—report of Eric Calamia, president—report of nominating committee—election of directors—trade discussions—"Know your Money"—United States Secret Service educational film.

1:00 P. M.—Luncheon meeting of board of directors.

3:00 to 4:30 P. M.—Trade conference.

9:00 to 11:00 P. M.—Edward G. Robinson in "Dr. Ehrlich's Magic Bullet."

Saturday, May 18th, 10:30 A. M.—Final business session—report of board of directors—committee reports—adoption of resolutions—trade discussions.

8:00 P. M.—Annual banquet—stars of stage, screen and radio—dancing.

In the $200,000 industrial progress program being sponsored by the Lincon Foundation, there are four awards amounting to $1600 which are definitely designated for the division of participation of interest to the tobacco industry (processing machinery). These are composed of one award each of $150, $250, $500 and $700 for studies of processing machinery which includes tobacco making machinery.

There are four other awards, amounting to $6800, also definitely designated for the classification (industry machinery) which covers the tobacco field. These consist of one award of $800, one of $1000, one of $2000 and one of $3000, respectively for the fourth, third, second and first papers in the industry machinery group which includes tobacco making machinery.

There are twelve other awards, amounting to $10,000, on another vital phase of the tobacco industry's operations. These consist of two each of $150, $250, $500 and $700 and one each of $800, $1000, $2000 and $3000 for studies of plant and/or equipment maintenance, including machinery and mechanical equipment and structural maintenance (Div. L-2.)

There are three other awards, amounting to $22,500, for which studies in the tobacco field are eligible. These are the main award group which consists of one of $5000, one of $7500 and one of $10,000 for the best papers in the entire program.

There are 223 other awards, amounting to $22,300, for which studies of merit in the tobacco field, receiving no other award, are eligible.

The awards of the progress program are for reports describing advances and improvements made between now and June 1, 1942, by application of arc welding to industrial work, including design, manufacture, fabrication, construction, welding service and maintenance. The product or structure may have arc welding actually applied to it within the period or it may simply be designed, or re-designed, within the period to utilize arc welding. In either case, the report is to include a design and description bringing out advances and improvements.

NEW REYNOLDS SERIES

The R. J. Reynolds Co., makers of Camel cigarettes and Prince Albert smoking tobacco, will present a new series, starring the popular comedian Al Pearce and his Gang, on the Columbia network, starting Friday, May 3d. The Gang consists of Blanche Stewart, comedienne; Artie Auerbach, dialectician; Arthur Q. Bryan, double-talker, Carl Hoff and his Orchestra, and Marie and her Merry Men. William Esty & Co., Inc., is the agency handling the account.

The Reynolds Co. first went on the Columbia network June 1, 1931, in a weekly quarter-hour series. Presently Camel and Prince Albert are represented on the CBS network by "Blondie" with Penny Singleton and Baby Dumpling and Arthur Lake, bringing to the air waves the vastly amusing experiences of that favorite of American families, the Dagwood Bumsteads. Camel is also sponsoring play-by-play descriptions by Mel Allen of all the home games of the New York Yankees and the New York Giants, over WABC, key station in New York of the Columbia network.

HENRY M. DUYS HEADS COMPANY

Henry M. Duys has been named president of H. Duys & Co., succeeding John H. Duys, who died March 4th. He has been secretary and treasurer of the company since 1910. That double post is now filled by his nephew, John H. Duys, Jr.

"FASTEST BASE-RUNNER IN BASEBALL"—

HE'S SAFE AT SECOND! Yes, it's another stolen base for George Case. He stole 51 bases last season . . . led the major leagues . . . won wide acclaim as the "fastest man in baseball." It makes your legs ache to watch him, he runs so hard . . . *so fast*. But when George lights up a cigarette, speed is out "No fast burning for me," he says. "I always smoke the slower-burning brand . . . Camel. Camels give me several big *extras* in smoking."

Fleet-footed George Case—leading base-stealer of the major leagues—SMOKES THE SLOWER-BURNING CIGARETTE—CAMEL

OFF THE DIAMOND, George Case *(above, right)* prefers a slower pace . . . he likes to fish . . . smokes Camels a lot. He says: "Slower-burning Camels are more than mild—they're *extra* mild and *extra* cool. The more I smoke Camels, the more I like their full, rich flavor." Yes, the more *you* smoke Camels, the more you'll appreciate their extra mildness, extra coolness, and extra flavor.

GEORGE CASE, Joe DiMaggio, "Bucky" Walters, Johnny Mize . . . so many top-flighters in America's favorite sport prefer America's favorite cigarette . . . Camel. George Case tells his experiences above. Let your own experience convince you how much more pleasure there is in smoking when your cigarette is slower-burning . . . made from costlier tobaccos. Smoke Camels. Enjoy extra mildness, extra coolness, and extra flavor that only Camel's costlier tobaccos and slower way of burning can give. Get more pleasure per puff and more puffs per pack *(see right)*.

In recent laboratory tests, Camels burned 25% *slower* than the average of the 15 other of the largest-selling brands tested—slower than *any* of them. That means, on the average, a smoking *plus* equal to

5 EXTRA SMOKES PER PACK!

SLOWER-BURNING

CAMELS

GIVE YOU

Copyright, 1940, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.

Philippine Tobacco Situation

TOBACCO ranks as one of the principal Philippine crops, while the manufacture of cigars and cigarettes is an important local industry. Production of tobacco is extremely irregular, the crop apparently being markedly affected by climatic conditions. During the past ten years, production of leaf tobacco has ranged from a high of 227,258,986 pounds in 1929 to a low of 137,271,624 pounds in 1935. The value of the crop has shown an even wider variation, being reported as a high of 10,463,050 pesos in 1929 and a low of 2,547,110 pesos in 1935. It is evident that during this comparatively short period there has been a variation of fully 40 per cent. in volume and of about 80 per cent. in value. Production during 1938 was officially reported as 172,263,035 pounds, valued at 4,125,460 pesos. Official estimates placed the 1939 crop at 161,663,318 pounds, the area cultivated being 196,808 acres. The volume of the 1939 crop shows a reduction of 6 per cent. compared with 1938, but the quality is reported to have been very much higher. As a result, prices for 1939 were fully 50 per cent. above those prevailing in 1938, indicating that the value of the crop was substantially higher, but no official figures are procurable at present.

During 1939, 322,796,914 cigars were manufactured in the Philippines, as against 307,375,841 in 1938. Cigarette production amounted to 3,379,931,651 units in 1939, compared with 3,291,256,455 during 1938. Domestic consumption is reported as 109,268,776 cigars and 3,312,019,501 cigarettes in 1939, the comparative figures for 1938 being 104,545,395 and 3,116,166,285, respectively. It is apparent that both production and domestic consumption increased considerably during 1939.

Philippine exports of leaf and scrap tobacco to the United States during 1939 totaled 15,170,234 pounds, and 27,248,975 pounds to other countries, or a total of 42,419,209 pounds, according to unofficial trade reports. These figures show an increase of 113 per cent. compared with 1938 shipments of 4,514,551 pounds to the United States and 15,446,841 pounds to other countries, or a total of 19,961,392 pounds. The principal cause for the marked increase in shipments to the United States was the imposition of a quota for 1940 of 4,500,000 pounds, 1939 shipments being more than three times the 1940 quota. The increase in exports to other countries was principally due to the resumption of large scale buying by the Spanish Monopoly, following the termination of civil war in Spain.

Cigar exports to the United States during 1939 totaled 196,481,233 units, and 11,186,255 to other countries. Both figures show fairly substantial gains over 1938, totals for which were United States 185,871,272 units, and other countries 9,506,364. The value of 1939 shipments are not available at present. Figures for the first ten months show fairly substantial increases, exports of cigars being officially reported as valued at 5,122,234 pesos, as against 5,070,413 pesos during the same period of 1938. Shipments of tobacco during the 1939 period reached a value of 4,002,999 pesos, compared with only 1,842,532 pesos during the corresponding months of 1938.

Under the provisions of the Philippine Economic Adjustment Act, which was passed by the United States Congress in August, 1939, shipments of both leaf tobacco and cigars to the United States will be subjected to quotas beginning January 1, 1940. The quotas for 1940 are 4,500,000 pounds of leaf and scrap tobacco and 200,000,000 cigars. These quotas will be decreased by 5 per cent. during subsequent years until 1946, at which time full United States import duties will be imposed. There is no doubt that the imposition of these quotas is beneficial to the Philippine cigar industry, since the quotas are very generous and the industry operates on such a narrow margin of profit that it would not be able to pay even the smallest export taxes without seriously affecting its stability. The quota of 200,000,000 cigars for 1940 is adequate, and it is said that the increases should not be seriously felt before about 1943, when the quota will be considerably below normal shipments. However, it would seem impossible to be very optimistic concerning the immediate outlook of the Philippine cigar industry. Production costs have been materially increased as a result of the enforcement of various labor legislation. Furthermore, Philippine cigars are sold in the American market on a price rather than a quality basis, although the industry is able to produce high-grade cigars. Under present conditions, a number of factories claim to be operating at a loss, and even the most efficient manufacturers are able to show a profit solely on the basis of volume production. If this volume is materially curtailed, these producers will be faced with serious losses. Under these conditions, it may be said that the industry will continue to be fairly stable during 1940, but that it will begin to feel the pinch in 1941, and may be in serious straits during the following year.

YOUNGEST TOBACCO AUCTIONEER

FOURTEEN-YEAR-OLD Eddie Burke Williams, of Paris, Kentucky, youngest tobacco auctioneer in the world, recent guest on "Your Hit Parade," isn't at all impressed by New York. "I thought the buildings were taller," said the young man from Paris. "But there's one thing you got here we can't get down in Kentucky. That's big league baseball. Of course, you haven't got the Cincinnati Reds. That's my team. I never saw them, but Johnny Vandermeer is my favorite ballplayer."

Young Eddie, who recently auctioned off his prize-winning acre of tobacco in the big warehouse at Paris, has been mimicking his father, famous Blue Grass auctioneer, since he was four.

"After I auctioned off my own tobacco," said the young man from Paris, "farmers asked me to auction off theirs. I've been doing it and they say I get good prices for it, too. I'm not going to college. I'm going to be an auctioneer as soon as I can get a job like my father and brother."

Eddie, who is the star pitcher of the Paris Tigers, drummer in the Paris high school band, a member of the Paris high basket ball team and Bourbon County's best amateur yodeler, says the biggest "kick I got out of New York" was the wire from Betty Jean Taylor, of Paris, Kentucky.

"Betty Jean's my best girl," said the boy auctioneer, "and she thought I was awfully good on my first program from New York. Gee, that's almost as good as seeing the circus."

WHAT DOES JUNE 16 MEAN TO THE CIGAR INDUSTRY?

Every year—for years—merchants of the United States have made millions of dollars in additional sales through the promotion of Mother's Day.

Each year—for the past 10 years—Bayuk Cigars Inc. has spent thousands of dollars—and sold millions of additional cigars—through its promotion of FATHER'S DAY.

June 19 is Father's Day this year. Bayuk urges the cigar industry — manufacturers, distributors, salesmen and dealers—to join us in taking full advantage of Father's Day. All can play a part by furnishing—as we do — and making proper use of — window posters, counter cards, lapel buttons and special Father's Day wrappers.

Bayuk knows that Father's Day promotion will sell cigars. The experiences of thousands of dealers, who have featured cigars as gifts on Father's Day, prove it.

June 19 does mean much to the cigar industry. It means millions of extra dollars in the cash registers of dealers. It means a great increase in the sale and consumption of cigars. It means advancement for the whole cigar industry.

BAYUK CIGARS INC.

President

We feel that the above message, published several years ago, is well worth repeating.

Pioneered by the cigar industry, Father's Day is now second only to Christmas as an opportunity to sell a tremendous extra volume of cigars and to advance the progress and standing of the entire industry.

But, there is also increasing competition from other lines of business for Father's Day attention. Haberdasheries, men's wear stores, gift shops, sporting goods stores, are all actively promoting merchandise for Father's Day gifts.

Bayuk believes that Father's Day, first and foremost, should *continue* to be associated with the giving of cigars . . . the ideal gift for any man.

To that end, Bayuk again urges everyone in the cigar industry to cooperate to the fullest . . . cigar dealers, distributors, manufacturers. Let's make this coming Father's Day, June 16th, the greatest *Cigar Day* in history.

BAYUK CIGARS INC.

MEET "THE ANSWER MAN"

SOME men are trained for their jobs; some train themselves; some achieve them by accident. But Albert Mitchell, "The Answer Man," had a bump of curiosity so large that it swung him right into the radio program he now conducts for Van Dyck cigars over a chain of nine Mutual stations. He started asking questions and demanding the answers at the age of six. By the time he was in his teens his Uncle Hud publicly declared: "That young squirt knows the answers to more useless questions than anybody I ever heard of. Ain't none of it worth a hoot nor ever goin' to do him any good." Uncle Hud was right for thirty years—but now Albert Mitchell owes his very considerable "bread and butter" to his insatiable curiosity and this so-called "useless information."

The same random curiosity directed his activities between shows. He carried in the bottom of his theatrical trunk his file of World Almanacs which he had begun collecting at the age of six and he read them for amusement. It took him seven years to do it, but he read the dictionary from cover to cover.

In 1935 he decided to see if this program idea could be made to work. In December the "Answer Man" was introduced to the public on Station WICC, Bridgeport, Conn. The idea met with immediate response from the public. Nine weeks later he had a contract with a commercial sponsor in New York City. He was on the air continuously for this one firm for a period of almost three years. His mail was about 60,000 letters a year, leading all programs on WOR in volume.

In March of this year General Cigar Co., Inc., bought the "Answer Man" program to promote their Van Dyck cigar. Mr. Mitchell broadcasts twice weekly for his new sponsors, Sunday and Wednesday evenings, over a chain of nine Mutual Broadcasting Co. stations, including WGN, Chicago, KFRC, San Francisco, and KHJ, Los Angeles.

For your amazement, here are some of the questions he has been asked and has answered: What is the oldest business concern in the world? Can an elephant see his tail? Was Adam a divorced man? Who has the biggest feet in Hollywood? Where's the chimney on the Empire State Building? Is there any use for cigar ashes? Did Nero wear a monocle?

B. & W. SHIFTS PROGRAM

Starting Monday, April 29th, the Brown & Williamson Corporation shifted its CBS news broadcasts, featuring Paul Sullivan, to 6:30-6:45 P. M. Monday through Friday, with rebroadcasts scheduled at 7:15-7:30 P. M. and 1:00-1:15 a. m.

Paul Sullivan, whose news analyses originate in the studios of WHAS, Columbia's outlet in Louisville, has won national fame as a reporter and news analyst and has handled the current Brown & Williamson series since September 24, 1939. His radio career started with local news assignments in St. Louis and Louisville.

In addition to its network show, Brown & Williamson recently started a series of thrice weekly sport news broadcasts, featuring Waite Hoyt, former star big league pitcher, over WABC.

The Sullivan account is handled by Batten, Barton, Durstine & Osborn, Inc.

● *Actual photograph showing how ultra-violet rays of sunshine make Luckies' fine golden tobaccos extra mellow!*

Copyright 1940 The American Tobacco Company

Sunshine mellows-heat purifies

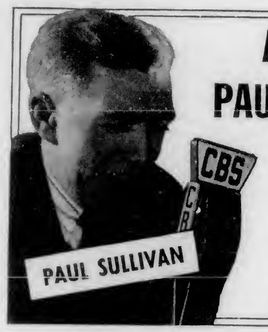
ARE YOU SMOKING more today? Remember this: The more you smoke, the more you need the throat protection of "It's Toasted." For "Toasting" removes certain harsh throat irritants found in all tobacco.

Sunshine mellows—heat purifies—and that's how "Toasting" works.

At the New York World's Fair three million visitors have seen how "It's Toasted"—the higher heat treatment and the ultra-violet ray—removes certain harsh irritants—makes Luckies easy on your throat.

Try Luckies for a week. Then you'll see why with independent tobacco experts—buyers, warehousemen, auctioneers—WITH MEN WHO KNOW TOBACCO BEST—IT'S LUCKIES 2 TO 1

HAVE YOU TRIED A *LUCKY* LATELY?



Now at an earlier time!

PAUL SULLIVAN REVIEWS THE NEWS

over more stations than ever before

COAST-TO-COAST NETWORK OF CBS STATIONS | SEE YOUR LOCAL PAPER FOR THE NEW TIME IN YOUR CITY | EVERY NIGHT BUT SATURDAY AND SUNDAY

REMEMBER, MR. DEALER, there are four extra coupons in every carton of Raleigh plain ends. Save these valuable coupons for extra profits—cash or your choice of several dozen worthwhile premiums. Brown & Williamson Tobacco Corporation, Louisville, Ky.

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1875

NIC. ALTHAUS CO

MANUFACTURERS OF HIGH GRADE CIGAR BOXES

CEDAR SAW MILL — AND PLANING MILLS

LABELS, RIBBONS, CIGAR MAKERS SUPPLIES

637-641 EAST 17th ST. NEW YORK

OUR HIGH-GRADE NON-EVAPORATING

CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

REMEMBER DAD

FATHER'S DAY

Paste this stamp on your letters, statements, packages, etc., to publicize and promote 1940 Father's Day.

You can obtain a supply of official Father's Day Stamps by ordering from the

NATIONAL COUNCIL FOR THE PROMOTION OF FATHER'S DAY, INC.
625 Madison Ave., New York City

The stamps are priced at $100 for 25,000

RUM AND MAPLE CORP. GRANTED INJUNCTION

IN AN action brought in the Supreme Court, New York County, by the Rum and Maple Tobacco Corporation, manufacturers of the Original Rum and Maple Smoking Tobacco Blend 53, against Atlas Blending Corporation, John Jacovides, and another, to protect its well-advertised and popular smoking tobacco, Mr. Justice Aaron J. Levy, upon plaintiff's application, and after oral argument in open court and consideration of the plaintiff's claims, granted a sweeping temporary injunction enjoining the manufacture, sale and distribution of any tobacco product under the name "Rum and Maple," "Rum 'n Maple," or under any other name of which Rum and Maple is a part, or any other name or designation which may be confused with plaintiff's tobacco, "Rum and Maple."

The precise language of the formal order entered by Mr. Justice Levy is as follows:

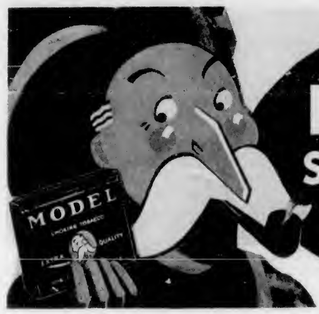
"(1) From manufacturing, selling, packaging or distributing for sale or otherwise disposing of any smoking tobacco or other tobacco product under the name Rum and Maple, Rum 'n Maple or under any other name of which Rum and Maple is a part, or under any other name or designation likely to be confused with plaintiff's tobacco, Rum and Maple;

"(2) From doing any other act or thing calculated to cause tobacco containing among its ingredients rum and maple, not made by or for plaintiff or sold and distributed by plaintiff, to be confused with, or mistaken for, the tobacco product so sold and distributed by plaintiff;

"(3) From in any manner inducing or enabling others to pass off any rum and maple tobacco product not made by or for plaintiff or sold or distributed by plaintiff as and for plaintiff's product."

Jesse G. Powell, long well known and popular in the tobacco industry, is now associated with the Rum & Maple Tobacco Corporation, 108 East Sixteenth Street, New York City, as sales manager, working directly with Leonard R. Edwin, president of the Rum & Maple Corporation.

One of the founders of the Tobacco Salesmen's Association and long active in its activities, Jesse G., is the oldest living past president of that organization. Many old acquaintances will remember him for his active part in connection with the N. R. A. legislation of several years ago.



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MODEL'S SMOKING QUALITIES

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HOWARD & SHELTON
Presented by
MODEL TOBACCO
Every Monday Night, Coast to Coast C. B. S. See Local Papers for Time

UNITED STATES TOBACCO CO.
630 Fifth Avenue, New York, N. Y.
Factories
RICHMOND, CHICAGO, NASHVILLE

TRACES DEVELOPMENT OF TOBACCO

AMERICA consumed 179,500,000,000 cigarettes last year, enough, if laid end to end, to reach to the moon and back 20 times, the members of the Camden County (N. J.) Real Estate Board were told at their weekly luncheon meeting. Dr. L. B. Troxler, chemist in the research department of Philip Morris Company, Ltd., said the figure represented a gain of nine billion cigarettes over 1938 consumption, and that nine billion represented the total number of cigarettes sold in 1910.

The cigarette industry paid $517,000,000 in federal taxes last year, exclusive of taxes on the manufacturers and state municipal taxes, he declared.

Taking for his subject, "Tobacco From a Weed to an Industry," Dr. Troxler traced the development of tobacco from its discovery in the 15th century by Columbus and his men when they landed in America. The Indians smoked through the nose instead of the mouth, using a long hollow, forked-ended instrument called a "tobago," and it was from this that the name is derived, the speaker said.

Columbus took the weed to Spain, and it was introduced into France by Jean Nicot, ambassador to Portugal who is remembered in the word "nicotine." Tobacco entered England in 1564, although Sir Walter Raleigh was not its sponsor, Troxler said.

Today the United States leads the world in tobacco production as well as consumption, he revealed, and added that he learned to his surprise that 34,000,000 pounds of snuff were sold last year. Tobacco stems which are not palatable for smoking are used in snuff, he said.

Dr. Troxler explained the raising and curing of tobacco, which is reproduced annually from its own seed. A great deal of hand labor is involved, transplanting, topping, suckering, weeding, de-worming and the plucking of the leaves individually as they ripen all being done by hand.

Flue-curing is the most popular system of curing the weed, he said. The treatment requires five days with temperature approaching the boiling point. Care must be exercised to make sure the temperature is neither too hot nor too cold.

The tobacco then is sold to manufacturers, but as it has no taste or flavor, it must be aged to make it palatable, and this requires two to two and a half years.

SPRUCE LUMBER

for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

SPECIFY SPRUCE

Uptegrove Lumber Co.

Cigar Box Lumber for 66 years

15 Washington St. Newark, N. J.

Established 1886

"BEST OF THE BEST"

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

AUTOKRAFT

CIGAR BOXES

Boite Nature — Novelty
Cedar Chests — Wrapped

Are Outstanding In Quality-Design-Cost

AUTOKRAFT BOX CORP.

Lima, Ohio — Hanover, Pa.
Chicago, Ill. — Philadelphia, Pa.
Detroit, Mich. — Hellam, Pa. — Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATIONS

CONSHOHOCKEN:—46,775. For all tobacco products. Registered by J. H. McGaughey, Proprietor, The Philadelphia Tobacco Store, Norristown, Pa., on April 8, 1940.

EL PATIO:—46,776. For all tobacco products. Registered by Key West Havana Cigar Co., Key West, Fla., on February 16, 1939.

TRANSFERRED REGISTRATIONS

D. L. & W.:—14,013 (Tobacco Leaf). For cigars and tobacco. Registered September 15, 1897, by Ray S. Bliss, Cortland, N. Y. Transferred to Irving Katz, Brooklyn, N. Y., and re-transferred to Frank Dua, New York, N. Y., on March 26, 1940.

MERCURIO:—(United States Tobacco Journal). For cigars. Registered September 8, 1884, by Schumacher & Ettlinger, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., who had taken over the cigar label department of the American Litho. Co., New York, N. Y., successors to the registrants, to Corral, Wodiska Y Ca., Tampa, Fla., on April 8, 1940.

Internal Revenue Collections for March

Source of Revenue	1940	1939
Cigars	$ 962,173.73	$ 1,051,717.75
Cigarettes	39,063,530.55	42,732,516.50
Snuff	577,051.84	644,175.66
Tobacco, chewing and smoking	4,382,363.42	4,682,854.45
Cigarette papers and tubes	107,185.55	210,037.72
Leaf dealer penalties	115.05	47.20

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of January

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	3,484,165	+ 65,414	1.91
Twist	399,495	— 169	0.04
Fine-cut Chewing	330,480	— 41,422	11.14
Scrap Chewing	3,590,964	+ 171,484	5.01
Smoking	15,165,040	— 485,371	3.10
Total	22,970,144	— 290,064	1.25

Seven Months Ending January 31

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	29,385,698	— 1,797,931	5.77
Twist	3,328,349	+ 232,879	7.52
Fine-cut Chewing	2,549,285	— 115,803	4.35
Scrap Chewing	24,985,848	— 2,088,554	7.71
Smoking	118,833,520	+ 1,649,016	1.41
Total	179,082,700	— 2,120,393	1.17

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

JOHN SWEENEY SALES MANAGER

John P. Sweeney has been named sales manager of Schwab Bros. and Baer, Inc., manufacturers of Epoca cigars. For a period of four years he had been vice-president and general manager of Otto Eisenlohr & Bro., Philadelphia. Subsequently he opened the Boston market and served as Boston branch manager and later as Chicago branch manager for Bayuk Cigars, Inc.

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S. CLAY WILLIAMS, Winston-Salem, N. C. ..... Vice-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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ARTHUR W. JONES ..... Financial Secretary
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PHILIP MORRIS PROGRAM

Philip Morris & Co., Ltd., expands its Columbia radio schedule Sunday evening, May 5th, when "Breezin' Along," a half-hour musical feature, makes its debut on a CBS network of twenty-nine stations. The series, which comes to Columbia from another network, will be heard at 8:30-855 P. M. on Sundays.

The new program is Philip Morris' second major evening half-hour series presently on the Columbia network. "Johnny Presents," the company's other CBS feature, is heard each Friday evening at 9:00-9:30 P. M.

Johnny, the famous Philip Morris call boy, will preside over the "Breezin' Along" broadcasts, which will feature the music of Johnny Green's orchestra and Ray Bloch's Swing Fourteen. Green will be heard at the piano, and will in addition act as master of ceremonies. Vocalists include Beverly, blues songstress; Audrey Marsh, soprano; Glen Cross; baritone; and Floyd Sherman, tenor.

Broadcast in behalf of Philip Morris cigarettes, the "Breezin' Along" account is handled by the Biow Co.

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TOBACCO WORLD

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DAD'S DAY UNVEILS BEST CHANCE FOR SALES OF SMOKES FOR MALES

Each unit in each branch of the tobacco industry will take out of 1940 Father's Day benefits in direct proportion to what it puts into this holiday. So each and every individual manufacturer, distributor and retailer should promote the day for all it is worth.

For several years, Father's Day has been second only to Christmas in the volume of gift sales for men. This year it can equal or exceed Christmas, if it is aggressively and intelligently promoted.

Intensive promotion for the two weeks preceding Father's Day—June 16th—will help to attain that end.

Introducing Chesterfield's own graduation cap

Learn Real Mildness . . . it's easy

Just make your next pack Chesterfields, that's all, and as quick as you can light up, you'll learn the meaning of real mildness . . . and you will learn this too, Chesterfields are cooler and definitely better-tasting. You get all of the right answers to your smoking pleasure with Chesterfields . . . the busiest cigarette in America.

Chesterfield

THEY SATISFY

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HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 JUNE, 1940 No. 6

THIS is a final word about Father's Day to urge distributors and dealers to co-operate to the fullest extent with the Cigar Manufacturers Association in the effort to stimulate a record-breaking volume of cigar sales for the 1940 celebration of this annual occasion. With the co-operation of the Consolidated Lithographing Corporation, the association has prepared a new and extremely attractive Father's Day poster in full color. Distribution of the posters is being arranged through wholesalers and jobbers handling the brands of the manufacturers who are members of the association, as well as the manufacturers' representatives in the field. Last year's Father's Day posters were enthusiastically received and unquestionably gave a big boost to cigar sales for Father's Day gifts. From the requests received for the 1940 posters, it is evident that greater emphasis will be given to Father's Day in the industry than ever before. Approximately 120,000 posters will be distributed and, if used to the best advantage, they should promote cigar sales very effectively.

▲

NEWSPAPERS all over the country are playing up Father's Day in their news and editorial columns. If distributors and dealers will lend their full co-operation by putting up the posters and giving prominent display to Father's Day wrapped cigars in outlets where "gift box" business may reasonably be expected, there is certain to be a gratifying result to all concerned. The association will arrange to keep a small reserve supply of Father's Day posters to take care of any distributor who has been overlooked, or needs an additional quantity. A telegram directed to the Cigar Manufacturers Association, 200 Fifth Avenue, New York, N. Y., with a request for posters will receive prompt attention as long as the reserve supply lasts.

▲

IF YOU want to sell, you have to know people, says the Investors Syndicate Broadcaster. You have to know them by acquaintance as individuals and you have to know them in the psychological sense as groups. It is a waste of time for a man to try to be a salesman who does not like people. If you like people, you are tolerant of what they think and what they do. You find interest in people. You want to be of some help to them. You want to serve them. The problems of people do not bore a good salesman. He is able to help solve problems and he likes to do it. In his own specific line of endeavor, he is able to help a great deal, for he has much more information about it than those who are not in it professionally.

THE good salesman is a professional man. He has studied his subject broadly and in detail. He keeps abreast of that subject constantly, knows where it touches other lines of endeavor, what makes his industry tick, and has considerable knowledge of competitor products. He never ceases to study people. He knows that every person he meets is a little different from others. That fact alone makes selling a fascinating subject—it never becomes dull, especially if you like people. To those who do not like people, it is like the feeling of the man who set out for wisdom so he bought a dictionary to read and learn. He was asked how he liked the book. "It is very interesting," he replied, "but it changes the subject too often." People pay large returns to those who serve them well. That is the basic reason why selling is one of the highest paid of the professions. Know people—and like them, if you want to succeed as a salesman.

▲

PRETTY much along the same lines, B. C. Forbes writes that we all have to sell, that life is one continuous sales job, that the best salesman is he who best understands human nature. Every mortal, to get anywhere, has to sell himself—sell his abilities, attractiveness, personality, product and services. And he lists 12 rules for successful selling as the "kindergarten suggestions" of a prosperous friend of his, a manufacturer in the Midwest: 1. Always be yourself; be natural; never imitate another. 2. Develop good judgment, common sense. 3. Believe in yourself, the product you handle, the company you work for. 4. Know folks; know human nature. 5. See and feel the need of your prospect. 6. Be industrious. 7. Be honest. 8. Be earnest. 9. Back up your claims. 10. Don't knock your competitor. 11. Serve through accurate knowledge. 12. Begin now, not tomorrow, to give much thought to the profession of selling. Think nothing else but how to serve satisfactorily and pleasingly all those with whom you come in contact.

▼

AND while you are on this subject of the salesman and his job, give heed to the opinion of Arthur Capper that a man's job is his best friend. It clothes and feeds his wife and children, pays the rent and supplies the wherewithal to develop and become cultivated. The least a man can do in return is to love his job. A man's job is grateful. It is like a little garden that thrives on love. It will one day flower into fruit worthwhile for him and his to enjoy. If you ask any successful man the reason for his making good, he will tell you that first and foremost it is because he likes his work; indeed, he is wrapped up in it.

The TOBACCO WORLD (est. 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; B. S. Phillips, Vice-President; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

All Tobacco Products Gain in April

Increases Range from 12.92 Per Cent. for Snuff to .56 Per Cent. for Class B Cigars; Class E Cigars Alone Decline

IT'S a pleasure to let your eye run down the columns of figures and light on each one of the many plus signs in the report of April withdrawals for consumption, as released in the supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States. With substantial gains registered in total cigars of all classes, little cigars, cigarettes, large cigarettes, snuff, chewing and smoking tobacco, the month failed of a perfect score throughout only by the failure of Class E cigars to show an increase along with all the other types of tobacco products.

Cigars of all classes in the U. S. totaled 425,140,424, as compared with 403,041,777, a gain of 22,098,647, or 5.48 per cent. An increase of 6,551,878 in P. I. withdrawals, and a decline of 26,730 in P. R. withdrawals, brought the grand total up to 443,573,237, as compared with 414,949,082, an increase of 28,624,155, or 6.9 per cent.

Class A cigars in the U. S. totaled 380,967,270, as compared with 363,364,420, an increase of 17,602,850, or 4.84 per cent. This gain rose to 6.42 per cent. through a sizeable rise in P. I. withdrawals and a drop in P. R. withdrawals.

Class B cigars in the U. S. totaled 3,182,937, just a little more than breaking even with the 3,182,563 of April, 1939. P. I. and P. R. cigars both increased, and brought the gain of the class to 0.56 per cent.

Class C cigars in the U. S. totaled 38,156,322, as compared with 33,711,134, an increase of 4,445,188, or 13.19 per cent. Here P. I. cigars showed a slight loss, and P. R. cigars a relatively big gain, bringing the net rise to 13.22 per cent.

Class D cigars in the U. S. totaled 2,576,690, as compared with 2,509,630, an increase of 67,060, or 2.67 per cent. The P. I. gain raised this fractionally to 2.68.

Class E cigars, lone laggard in the growing family, total 257,205 in the U. S., as compared with 274,030, a decline of 16,825, or 6.14 per cent.

Little cigars totaled 12,230,907, as compared with 11,509,827, an increase of 721,080, or 6.26 per cent.

Cigarettes in the U. S. totaled 14,819,507,680, as compared with 12,269,248,887, an increase of 2,550,258,793, or 20.79 per cent., fractionally reduced to 20.78 by P. I. and P. R. losses.

Large cigarettes in the U. S. totaled 135,282, as compared with 81,711, a gain of 53,571, which was raised to 63,971 by 10,400 from P. R., as against none in April, 1939.

Snuff gained 338,670, or 12.92 per cent.; chewing and smoking tobacco 2,464,295, or 10.9 per cent.

Following are the comparative figures:

Product	April, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	380,967,270	+	17,602,850	4.84
Philippine Islands	18,308,040	+	6,546,300	....
Puerto Rico	25,300	—	56,970	....
Total	399,300,610	+	24,092,180	6.42
Class B—				
United States	3,182,937	+	374	0.01
Philippine Islands	7,027	+	5,674	....
Puerto Rico	34,050	+	11,900	....
Total	3,224,014	+	17,948	0.56
Class C—				
United States	38,156,322	+	4,445,188	13.19
Philippine Islands	10,376	—	1,404	....
Puerto Rico	46,000	+	18,700	....
Total	38,212,698	+	4,462,484	13.22
Class D—				
United States	2,576,690	+	67,060	2.67
Philippine Islands	1,000	+	313	....
Puerto Rico	.....		.....	....
Total	2,577,690	+	67,373	2.68
Class E—				
United States	257,205	—	16,825	6.14
Philippine Islands	1,020	+	995	....
Puerto Rico	.....		.....	....
Total	258,225	—	15,830	5.78
Total All Classes:				
United States	425,140,424	+	22,098,647	5.48
Philippine Islands	18,327,463	+	6,551,878	....
Puerto Rico	105,350	—	26,370	....
Grand Total	443,573,237	+	28,624,155	6.90
Little Cigars:				
United States	12,230,907	+	721,080	6.26
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	12,230,907	+	721,080	6.26
Cigarettes:				
United States	14,819,507,680	+	2,550,258,793	20.79
Philippine Islands	20,400	—	111,737	....
Puerto Rico	255,000	—	565,000	....
Total	14,819,783,080	+	2,549,582,056	20.78
Large Cigarettes:				
United States	135,282	+	53,571	....
Philippine Islands	.....		.....	....
Puerto Rico	10,400	+	10,400	....
Total	145,682	+	63,971	....
Snuff (lbs.):				
All United States	3,398,017	+	388,670	12.92
Tobacco (Chewing and Smoking) lbs.:				
United States	25,082,562	+	2,464,295	10.90
Philippine Islands	.....		.....	....
Total	25,082,562	+	2,464,295	10.90

Against Taxation; For Fair Trade

By Eric Calamia

President, Retail Tobacco Dealers of America

NO single problem has caused so much fear and uncertainty in the ranks of the retail tobacco trade as the tendency during the past few years toward increased tobacco taxation, particularly upon cigarettes. The very existence of the tobacco retailer is jeopardized by these taxes. Unless we vigorously fight their extension or continuance we are allowing a "Frankenstein" to develop in our midst which must inevitably engulf us all. The problem of tobacco taxation cannot be approached from the angle of particular circumstances in a single community but rather on the broad and well-established principle that burdensome taxation will disrupt and destroy. Those of us who conduct retail tobacco businesses in states that have adopted cigarette taxes on top of the federal tax know and have experienced the sickening sensation of the helplessness they have caused. We are immediately precipitated on the horns of a dilemma. If we attempt to pass the tax on to the consumers, they resist and make their purchases from tax-free sources, and if we attempt to absorb all or part of the tax we are left holding the "bag" as it were.

The early part of January of this year we set about to seek the repeal of both the New York State and City cigarette taxes. We appeared at a large public hearing on the budget held in Albany February 12th and presented our case in a forceful manner. From then on until the Legislature adjourned the end of March we spent several days each week in Albany doing everything within our power to convince the members of the Legislature that both the State and City taxes should be discontinued. Our efforts finally brought some results for in the closing hours of the session, the Legislature passed a bill, subsequently approved by the Governor, depriving New York City after July 1st, 1940 of the right to levy a one cent tax on cigarettes or any other sales tax on cigarettes. This was only a partial victory but nevertheless a very important one. It will encourage renewed and more effective work in our fight to eliminate tobacco taxes and wherever this can be accomplished we will be contributing to more healthful conditions in the trade. An industry overburdened with taxation not only does not enjoy the fruits of hard labor, efficiency and sound merchandising but constantly experiences retardation regardless of the effort to overcome it. I know that the elimination of the New York City cigarette tax will be a strong influence in compelling other jurisdictions to consider the elimination of tobacco taxes.

I am certain that there is concurrence in the minds of all those who have studied the development of fair trade that resale price maintenance statutes afford the greatest relief to the most difficult problem that all distributive trades must cope with, namely, the "loss-leader" practice. These laws, as you know, have had a phenomenal history for in the space of only three years, they were adopted in forty-four states and an enabling act was enacted by the federal government.

One of the initial difficulties in the furtherance of fair trade laws was the problem of enforcement. A careful study of the results of fair trade enforcement this past year reveals that the victories were overwhelming in number and that there is a steady growth of case law that makes enforcement relatively easy if the manufacturer is sincere and immediately apprehends willful violations. Whenever called up, we did everything within our means to compel compliance with the fair trade laws and we are prepared to pledge this support to all tobacco manufacturers who adopt fair trade contracts.

There are some twenty states that have adopted unfair sales practices acts during the past two years. They are patterned mainly on two different types. One group, typical of the California law provides that selling below cost with intent to injure a competitor is unfair competition and a penal offense, defining retail and wholesale cost as invoice less trade discounts except cash discount plus the entire cost of doing business. The other group similarly declares below cost selling unfair competition and a penal offense and defines retailer's cost as invoice less trade discounts except cash discount plus 6 per cent., and wholesaler's cost as invoice less trade discounts except cash discount plus 2 per cent. The so-called 2 per cent. and 6 per cent. unfair sales act because of its specificity, and the fact that it is sponsored by the militant National Grocers Conference (composed of independent retail grocers, chain grocers, wholesalers and manufacturers) is the one that has been advocated most strongly and adopted in ten states, and passed in Pennsylvania and New York but vetoed by Governors James and Lehman, respectively.

As I stated before, I believe that the ultimate to be sought for our industry is the use of fair trade contracts. However, until we are able to secure universal adoption of these contracts, and since tobacco products and particularly cigarettes are still subject to the onslaughts of "loss-leader" practitioners, I felt that we desperately needed some stop-gap legislation to outlaw price-cutting. A study of the unfair sales practices acts convinced me that they held the greatest possible interim relief.

I was not alone in this thought and in October of last year, together with Siegfried F. Hartman, Joseph Kolodny, executive secretary of the National Association of Tobacco Distributors, Inc., and Malcolm L. Fleisher, our own executive secretary, set to work to develop an improved unfair sales practices act. By the end of the year, we had drafted a bill that we sincerely believed would be most beneficial to our industry. Essentially our proposal, by no means original, was a combination of the provisions of the two types of unfair sales acts I have previously described. Under the cost provisions of our proposed bill, the price floor would not stop at a 2 per cent. wholesale or 6 per cent. retail mark-up, but by diligent application of trade associations and with the aid of the courts would be elevated to a mark-up equivalent to the cost of doing business of the efficient wholesaler and retailer.

The act was drafted with the thought in mind of not only eliminating the evil of the "loss-leader" practice but our objectives were set forth in a manner that

(Continued on page 13)

Philippine Cigars Up 16.89% in 10 Mos.

Gains Registered in Cigars, Cigarettes, Chewing and Smoking Tobacco; Declines in Little Cigars, Large Cigarettes, Snuff

THANKS to the boost in all types of tobacco products in April, the report of withdrawals for the first ten months of the fiscal year is an improvement over the nine months' report. Gains for the period are recorded in withdrawals of cigars, cigarettes, chewing and smoking tobacco, while losses are registered in little cigars, large cigarettes, and snuff, in the supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States.

Cigars of all classes in the U. S. totaled 4,389,276,832, as compared with 4,311,447,049, an increase of 77,829,783, or 1.81 per cent. P. I. withdrawals totaled 177,866,768, as compared with 152,163,592, an increase of 25,703,176, or 16.89 per cent. P. R. withdrawals totaled 1,447,050, as compared with 1,396,200, an increase of 50,850. The grand total was 4,568,590,650, as compared with 4,465,006,841, an increase of 103,583,809, or 2.32 per cent.

Class A cigars in the U. S. totaled 3,916,981,365, as compared with 3,830,357,110, an increase of 86,624,255, or 2.26 per cent. P. I. increase of 25,511,955 and P. R. increase of 41,850, brought the net gain up to 112,178,060, or 2.82 per cent.

Class B cigars in the U. S. totaled 34,720,934, as compared with 39,122,149, a decline of 4,401,215, or 11.25 per cent. P. I. and P. R. increases reduced this loss to 4,282,920, or 10.89 per cent.

Class C cigars in the U. S. totaled 403,963,460, as compared with 408,657,854, a loss of 4,694,374, or 1.15 per cent., which became 1.16 per cent. when the P. I. gain was added and the P. R. loss subtracted.

Class D cigars in the U. S. totaled 29,708,928, as compared with 29,669,620, an increase of 39,308, or 0.13 per cent. By virtue of a gain of 35,291, or 16.92 per cent., in P. I. withdrawals, overcoming a loss of 1,600 in P. R. withdrawals, the net gain was raised to 0.24 per cent.

Class E cigars in the U. S. totaled 3,902,145, as compared with 3,640,336, an increase of 261,809, or 7.19 per cent. This became 9.88 per cent. when the P. I. increase of 100,893 was added.

Little cigars totaled 119,064,103, as compared with 130,641,733, a decline of 11,677,630, or 8.86 per cent.

Cigarettes in the U. S. totaled 143,839,645,677, as compared with 135,970,474,748, an increase of 7,869,170,929, or 5.79 per cent. Losses in P. I. and P. R. withdrawals reduced this to 7,867,138,242.

Large cigarettes in the U. S. totaled 2,016,670, an increase of 11,502, or 0.57 per cent. P. I. and P. R. losses turned this into a decrease.

Snuff lost 0.94 per cent.; chewing and smoking tobacco gained 0.19 per cent. Following are the figures:

Product	1st 10 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,916,981,365	+	86,624,255	2.26
Philippine Islands	177,108,280	+	25,511,955	16.83
Puerto Rico	838,950	+	41,850	....
Total	4,094,928,595	+	112,178,060	2.82
Class B—				
United States	34,720,934	—	4,401,215	11.25
Philippine Islands	100,461	+	25,795	....
Puerto Rico	216,900	+	92,500	....
Total	35,038,295	—	4,282,920	10.89
Class C—				
United States	403,963,460	—	4,694,374	1.15
Philippine Islands	283,400	+	29,242	....
Puerto Rico	389,000	—	81,900	....
Total	404,635,860	—	4,747,032	1.16
Class D—				
United States	29,708,928	+	39,308	0.13
Philippine Islands	243,846	+	35,291	16.92
Puerto Rico	2,200	—	1,600	....
Total	29,954,974	+	72,999	0.24
Class E—				
United States	3,902,145	+	261,809	7.19
Philippine Islands	130,781	+	100,893	....
Puerto Rico	.....		.....	....
Total	4,032,926	+	362,702	9.88
Total All Classes:				
United States	4,389,276,832	+	77,829,783	1.81
Philippine Islands	177,866,768	+	25,703,176	16.89
Puerto Rico	1,447,050	+	50,850	3.64
Grand Total	4,568,590,650	+	103,583,809	2.32
Little Cigars:				
United States	119,064,103	—	11,577,630	8.86
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	119,064,103	—	11,577,630	8.86
Cigarettes:				
United States	143,839,645,677	+	7,869,170,929	5.79
Philippine Islands	741,940	—	1,042,967	....
Puerto Rico	3,112,860	—	989,720	....
Total	143,843,500,477	+	7,867,138,242	5.79
Large Cigarettes:				
United States	2,016,670	+	11,502	0.57
Philippine Isands	3,175	+	2,054	....
Puerto Rico	181,400	—	24,861	12.05
Total	2,201,245	—	11,305	0.51
Snuff (lbs.):				
All United States	31,406,545	—	296,668	0.94
Tobacco (Chewing and Smoking) lbs.:				
United States	250,851,481	+	467,172	0.19
Philippine Islands	54	—	99	....
Total	250,851,535	+	467,073	0.19

Father's Day Year's Biggest Event

By William A. Hickey
Executive Vice-President, R. T. D. A.

WE believe Father's Day has become the most important merchandising event in the year next to Christmas for the entire cigar and tobacco industry. Hickey Brothers pioneered the promotion of this day as a merchandising event. That was fifteen years ago. Each year we have spent more on advertising and promoting Father's Day and each year we have been rewarded with an increase in sales. In the early years our advertising campaign was always more expensive for us that the sales for Father's Day warranted, but each year the advertising has built up a sentiment for Father's Day which today is bringing use good returns on our early investments in advertising.

It has been our idea from the first that if we could get other merchants to promote Father's Day generally that everyone would gain. It has been only within the last two or three years that clothing concerns, jewelry stores, and other specialty shops have promoted Father's Day. We are glad to have people in other businesses do so because the net result will be a gain for everyone.

In our opinion the advantage we, in the cigar and tobacco business, have over anyone else is that Father's Day is a "natural" for the merchandise we sell—cigars, cigarettes, pound and half-pound tobaccos and smokers' accessories of all kinds. What could possibly be more appropriate for Father's Day than a gift from a man's store that is, a cigar store. Most cigar stores today carry merchandise such as leather goods, electric shavers, syphon bottles and accessories, all of which pertain to the cigar business, but which still make cigar stores the most logical place in the world for people to buy Father's Day gifts.

Our method from the very first has been to start the Father's Day campaign the day after Mother's Day. We have an advance order contest among our employees running from the day after Mother's Day to Wednesday preceding Father's Day. We offer big prizes to our staff. The first prize this year is $50, second $25, etc. Our people really work because we make it worth their while.

We "stock up" our stores for Father's Day just as much as we do for Christmas; in fact, more so, speaking strictly of men's articles.

We start newspaper advertising the day after Mother's Day. The first advertisements are small but we try to make them outstanding. Then we gradually lead up to the "big day" with larger and larger space until we climax our campaign with four full pages in the four daily papers in Davenport, Rock Island, and Moline (known as the Tri-Cities.) This year we believe that the advertisement which we have planned as a climax to our campaign may be even double page spreads. They must be spectacular!

The most outstanding Father's Day advertisement we have ever had was run in 1938. We sent it to all our friends in the tobacco business and never in our history have we had so many enthusiastic comments on any advertisement. After Father's Day of that year, "Esquire" magazine published a brochure of Father's Day advertisements throughout the country. They reprinted our climaxing ad along with three others in our campaign.

The reason for the success of this outstanding advertisement was that we had photographs of prominent people; the Mayors of the Tri-Cities (Davenport, Iowa, Rock Island, and Moline, Illinois), the owner of Davenport's two newspapers, prominent public figures, including Elmer Layden, Director of Athletics at the University of Notre Dame. Elmer is a native of Davenport.

We have sales meetings for our employees. Each employee sends post cards and telephones the sons, daughters, and wives of his men customers. They actually get extra business this way. And don't forget each one of those salespeople is working for a big prize.

Our success with Father's Day has not "just happened." We have been working for it a long time. Our final conclusion on this subject is, the more people that promote Father's Day, the more success everyone, and we mean each and every merchandiser, will have.

CALAMIA RE-ELECTED PRESIDENT

ERIC CALAMIA was re-elected president of the Retail Tobacco Dealers of America at the association's eighth annual convention in the Hotel Pennsylvania, New York City, May 16, 17 and 18. Other officers for 1940-1941 are: William A. Hickey, executive vice-president; Clifford M. Dawson, treasurer; Malcolm L. Fleisher, executive secretary. The association adopted resolutions (a) opposing any and all additional taxes on tobacco products; (b) urging a campaign to ask the Government to take a more active interest in the distributive trades, to eliminate trade evils; (c) renewing efforts to interest more tobacco manufacturers in fair trade contracts; (d) supporting unfair trade practices acts; (e) boosting Father's Day; (f) encouraging cooperation among all branches of the industry; (g) opposing mechanical devices vending tobacco products; (h) authorizing the formation of a national cigar promotion committee.

REYNOLDS REBROADCAST SHIFTED

Starting June 7, "Al Pearce and His Gang," Friday evening variety show sponsored over CBS by the R. J. Reynolds Tobacco Company, shifts its rebroadcast period from 9-9:30 P. M. to 10:30-11 P. M., E. D. S. T. The broadcast remains at 7:30-8 P. M. and the series continues to be aired over ninety-nine Columbia stations in behalf of Camel cigarettes and Prince Albert smoking tobacco.

The series, which started over CBS on May 3, stars Al Pearce with a large cast of comedians, dialecticians, and musical performers. Regularly heard on the program are Blanche Stewart, Artie Auerbach, Arthur Q. Bryan, Marie and Her Merry Men, and Carl Hoff and his orchestra.

In addition to the Al Pearce series, R. J. Reynolds sponsors "Blondie," a weekly half-hour dramatic sketch about the popular and amazing Bumstead family, over ninety-eight CBS stations at 7:30-8 P. M. Monday evenings, with the rebroadcast scheduled at 10:30-11 P. M.

Organization Means Co-Operation

By John H. Maute

Former Executive Vice-President, R. T. D. A.

THE unethical methods of competition and declining dollar volume of the cigar business in the past years, make it more imperative than ever to have a strong national trade association. It is such a group as ours, which together with the national associations of the jobber and manufacturer can do much to remove unfair trade practices and bring about an improvement in the cigar end of the tobacco business.

We must be prepared to resist all forms of additional taxation on tobacco products before the damage is done and before chaos reigns in the industry. It is through our local, state and national associations that, with concerted effort, we can effectively combat burdensome tobacco taxes. The individual dealer has an important role in this picture and he should cooperate in all efforts to protest against proposed taxes on tobacco products. The protests should be presented to the proper legislative bodies and they will receive full consideration, for after all you are an important influence in your respective communities. It is incumbent upon each member to become a leader and to take an active part, throughout the entire year, in encouraging consolidated action of the tobacco retailers in their own communities.

Much effort has been devoted this past year to bringing about a closer understanding among all branches of the tobacco industry. A number of states have enacted Unfair Sales Practices Acts. Many others will have this new type of fair trade legislation to consider when they convene. The states operating under these laws have not been bothered with loss-leaders and the tobacco merchant is well pleased with their operation. National selling cigar brands that are sold under the Fair Trade Laws have made the greatest progress and are the most successful in their respective field. This is an undisputed fact and should prove helpful to those who have been waiting to see how this law would work. These laws are the result of the cooperative effort of the various distributive trade organizations.

Stocks of Tobacco in United States

STOCKS of leaf tobacco owned by dealers and manufacturers in the United States and Puerto Rico on April 1, 1940, amounted to 2,898,802,000 pounds, compared with 2,367,193,000 pounds on April 1, 1939. Between January 1st and April 1st of 1940 total stocks increased 179,843,000 pounds compared with an increase of only 24,318,000 pounds in this same period of 1939.

Stocks of flue-cured tobacco on April 1, 1940, were 1,322,300,000 pounds, as compared with 1,437,392,000 pounds on January 1, 1940, and 909,718,000 pounds on April 1, 1939. The stocks of Type 11 were reported as 513,553,000 pounds; Type 12 as 462,219,000 pounds; Type 13 as 250,601,000 pounds; and Type 14 as 95,927,000 pounds on April 1, 1940.

Stocks of fire-cured tobacco were reported as 176,262,000 pounds on April 1, 1940, compared with 167,949,000 pounds on April 1, 1939. All of the 1939 crop of Types 22 and 23, fire-cured tobacco, was marketed after January 1, 1940. Virginia fire-cured, Type 21 stocks were reported as 31,175,000 pounds; Type 22 as 107,114,000 pounds; Type 23 as 36,960,000 pounds; and Type 24 as 1,013,000 pounds.

Burley stocks were about 70 million pounds higher on April 1, 1940, than they were on April 1, 1939. The April 1, 1940, report shows 812,814,000 pounds. Maryland tobacco, Type 32 stocks were reported as 29,063,000 pounds on April 1, 1940.

One Sucker stocks on April 1, 1940, were 35,965,000 pounds; Green River, 30,998,000 pounds; Virginia sun-cured, 3,940,000 pounds; Eastern Ohio, 502,000 pounds; Perique, 904,000 pounds; Other Miscellaneous Domestic, 680,000 pounds; and Foreign-grown cigarette and smoking tobacco (Turkish and other), 118,534,000 pounds.

Stocks of American-grown cigar-filler type tobacco amounted to 197,877,000 pounds on April 1, 1940, about 4 million pounds higher than stocks on April 1, 1939. Type 41, Pennsylvania Seedleaf stocks on April 1, 1940, were 112,783,000 pounds. Of this total about 84 million pounds were binders and fillers and about 28 million pounds were stemming grades or lower. Type 42, Gebhardt stocks, on April 1, 1940, were 17,746,000 pounds; Type 43, Zimmer, 14,139,000 pounds; Type 44, Dutch, 9,642,000 pounds; Type 45, Georgia and Florida Sungrown, 2,302,000 pounds; Type 46, 23,991,000 pounds in the United States, and 17,274,000 pounds in Puerto Rico.

The cigar binder type stocks, some of which are used for wrappers, were about 9 million pounds higher on April 1, 1940, than they were on April 1, 1939. Total binder type stocks were reported as 139,144,000 pounds on April 1, 1940. Type 51, Connecticut Broadleaf stocks were reported as 30,093,000 pounds; Type 52, Connecticut Havana Seed, 27,949,000 pounds; Type 53, New York and Pennsylvania Havana Seed, 3,581,000 pounds; Type 54, Southern Wisconsin, 40,897,000 pounds; and Type 55, Northern Wisconsin, 36,624,000 pounds.

Shade-grown wrapper type stocks were reported on April 1, 1940, as 13,567,000 pounds. Connecticut Shade stocks were 10,357,000 pounds, and Georgia and Florida Shade stocks were 3,210,000 pounds.

The foreign-grown cigar-leaf tobacco stocks in the United States on April 1, 1940, consisted of 6,810,000 pounds of Cuba (Havana) tobacco, 1,720,000 pounds of Sumatra and Java, and 7,654,000 pounds of Philippine Islands (Manila) tobacco. The detailed report shows these stocks subdivided into wrappers, fillers, and scrap.

CUBAN TOBACCO EXPORTS

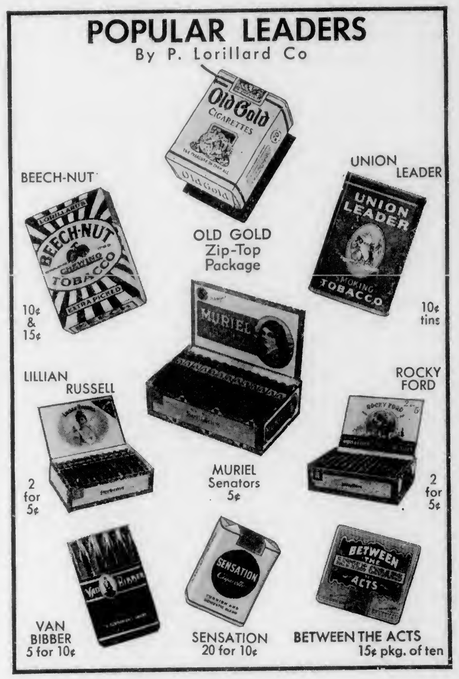
IN SPITE of the crisis which was supposed to threaten the Cuban tobacco industry, exports of Cuban tobacco continued to improve in March, 1940, as compared with March, 1939, according to Cuban official tobacco statistics, as reviewed by the American Consulate General, Habana, and made available to the trade by the Tobacco Division, Department of Commerce. The value of all tobacco exports in March, 1940, showed an improvement of approximately 12 per cent. over those of March, 1939, due to a heavy increase (172 per cent.) in shipments of filler tobacco over March, 1939, filler exports. The total value of tobacco shipments during the first three months of 1940 registered a gain of 17 per cent. over their value in the same period of 1939.

Cuba's export trade in leaf tobacco showed an improvement of 85 per cent. in volume and 37 per cent. in value during March, 1940, as against the March, 1939, trade. That Cuba was able to maintain the volume and value of its tobacco exports in March, 1940, as compared with March of the preceding year, was due almost wholly to heavy purchases by Spain of 2,983,534 pounds of low-grade filler tobacco, which was the only type of leaf purchased by that country. There were small decreases of all other types of leaf tobacco exported in March, 1940.

Exports of Cuban cigars in March, 1940, showed a decrease of 69 per cent. in volume and 73 per cent. in value, in comparison with exports in March, 1939. Spain continued as Cuba's best cigar customer (37 per cent. of total exports), the United States second (24 per cent. of the total), and British Africa third (7.7 per cent. of all exports). British Africa thus supplanted Argentina as Cuba's third-best cigar customer. No other country took as much as 5 per cent. of Cuba's cigar exports, although varying shipments were made to thirty-two different countries. Cigarette exports declined 11 per cent. in volume and 6 per cent. in value in March, 1940, compared with exports in March, 1939. Ninety-three per cent. of all Cuban cigarette exports in March, 1940, were to Panama, Portugal being the only other importer of consequence.

The tobacco export trade of Cuba with the United States in March, 1940, consisted of the following: 24,800 pounds of wrapper tobacco, valued at $33,819; 164,706 pounds of filler tobacco, valued at $81,334; 768,828 pounds of stemmed leaf tobacco, valued at $511,939; 259,645 pounds of scrap tobacco, valued at $60,500; 201,865 cigars, valued at $20,911; 6900 cigarettes, valued at $18. The total value of all tobacco exports to the United States in March, 1940, amounted to $708,521, as compared with $715,194 in February, 1940, and $750,554 in March, 1939.

During the first three months of 1940, the export trade of Cuba in leaf tobacco showed an increase of 59 per cent. in volume and 42 per cent. in value over the corresponding months of 1939, a very considerable achievement in these days when international trade has been so disrupted by the conflict in Europe. Exports of tobacco products have not fared so well, cigars being particularly affected by the European conflict and the consequent loss of such important cigar markets as the United Kingdom and Germany. Cigar exports during the first quarter of 1940 declined 65 per cent. in volume and 68 per cent. in value, as compared with the first quarter of 1939. Exports of cigarettes likewise decreased 21 per cent. in volume and 17 per cent. in value,



while exports of smoking tobacco fell 9 per cent. in volume, but gained 12 per cent. in value.

The total value of all Cuban tobacco exports to the United States during the first three months of 1940 noted a 19 per cent. improvement over the value of 1939 first-quarter shipments. Leaf tobacco exports advanced 12 per cent. in volume and 19 per cent. in value over those of the first quarter of 1939, a gain being shown in all leaf items except scrap tobacco. Cigar exports to the United States improved 19 per cent. in volume and 11 per cent. in value; there was a notable increase in both the volume and value of cigarette shipments, and exports of smoking tobacco gained 33 per cent. in volume and 32 per cent. in value.

The whole composition of Cuban tobacco markets continues to shift as a result of the European conflict. The United States, of course, remains Cuba's best market, absorbing 63 per cent. of all Cuban tobacco and tobacco products exported during the first quarter of 1940. Spain has replaced the United Kingdom as Cuba's second tobacco market, absorbing 22 per cent. of all tobacco exports in the 1940 period. Other countries which took more than 1 per cent. of Cuban tobacco and tobacco products during the 1940 first quarter were the Netherlands 3 per cent., Uruguay 2. 6 per cent., Sweden 2.4 per cent., and Argentina 1.3 per cent. These six countries together absorbed 94.3 per cent. of all Cuban tobacco and tobacco products exported during the first three months of 1940; the remaining 5.7 per cent. was marketed in twenty-six different countries.

The extension of the European war to Scandinavia will undoubtedly affect, and possibly entirely eliminate, Cuban tobacco exports to Sweden and the Netherlands, and important tobacco shipments to Norway and Denmark. Cuban tobacco exports during the first quarter of 1940 to Norway were valued at $13,057, while those to Denmark were valued at $5059.

While February, 1940, exports of tobacco and tobacco products did not equal those of the preceding month, which were extraordinarily large, they were only 2 per cent. under those of February, 1939. Compared with February, 1939, shipments of leaf tobacco of all kinds showed an increase in February, 1940, of approximately 2½ per cent. This was almost wholly due to increased exports of stemmed leaf tobacco, the bulk of which goes to the United States. Small declines were registered in shipments of all other types of leaf tobacco.

Exports of Cuban cigars in February, 1940, showed a decrease of 54 per cent. in volume, as against February, 1939, shipments. Were it not for the unusually large quantity absorbed by Spain—652,500 cigars—the cigar industry would be in a discouraging position. The United States increased its purchases of cigars by a small amount and now provides Cuba with its second-best cigar market. The Argentine is a poor third purchaser. The cigarette export trade, although not dependent upon a European market, declined by 61 per cent. in February, 1940, in comparison with February, 1939, the bulk of these shipments going to Panama and Peru. Shipments of smoking tobacco noted a heavy gain over those of February, 1939.

Cuba's export trade with the United States in February, 1940, consisted of the following: 34,279 pounds of wrapper tobacco, valued at $54,400; 161,824 pounds of filler tobacco, valued at $68,028; 794,333 pounds of stemmed leaf tobacco, valued at $510,213; 242,012 pounds of scrap tobacco, valued at $66,222; 136,565 cigars, valued at $16,203; 3000 cigarettes, valued at $8, and 218 pounds of smoking tobacco, valued at $120. The total value of all tobacco shipments to the United States in February, 1940, amounted to $715,194, as compared with $708,560 in January.

Notwithstanding the great concern of Cuban tobacco growers, manufacturers, and exporters with regard to declining prices, loss of foreign markets, and the serious domestic situation, statistics would seem to show that there is no impending crisis in the Cuban tobacco industry, at least insofar as exports are concerned. With the exception of the cigar industry, which is suffering severely from the embargo placed upon cigars by Great Britain as a war measure, and a decline in the unimportant cigarette trade, the Cuban tobacco industry as a whole would appear to be in a healthy condition, at least as compared with exports during the first two months of 1939. Leaf tobacco shipments improved 45 per cent. in value and 41 per cent. in volume over the first two months of 1939, and even the value of smoking tobacco increased 22 per cent., in spite of a small decrease (8 per cent.) in the volume exported. On the other hand, exports of cigars declined 65 per cent. in value and 61 per cent. in volume, and cigarettes 21.5 per cent. in value and 25 per cent. in volume.

The total value of Cuban tobacco exports to the United States during the January-February period of 1940 was $1,423,754, in comparison with $1,048,349 in the corresponding period of 1939. Shipments of leaf tobacco advanced 23 per cent. in volume and 36 per cent. in value over those of the first two months of 1939, all items except scrap tobacco showing a gain. Cigar exports improved 9 per cent. in both volume and value, and shipments of smoking tobacco were more than double those of the 1939 period. The United States purchased no Cuban cigarettes in January-February, 1939, but accounted for 7000 in the same months of 1940.

The whole composition of Cuba's tobacco export markets has changed during the past year, and especially during the past six months—that is, with the exception of the United States, which continues as Cuba's best customer, absorbing 73.8 per cent. of all Cuban tobacco products exported in February, 1940. War conditions are, of course, responsible for this shift in Cuban tobacco markets. After the United States, the United Kingdom and Germany formerly provided Cuba with its best markets for leaf tobacco and cigars. Since September, 1939, exports to Germany have ceased entirely, while since the beginning of January, 1940, those to the United Kingdom have been inconsequential in both quantity and value. Spain and the Netherlands have supplanted the United Kingdom and Germany as Cuba's best European tobacco markets. Shipments of leaf tobacco to most markets have been maintained and in some instances improved upon. The cigar industry has been hardest hit, for the United Kingdom had regularly absorbed approximately 60 per cent. of all Cuban cigars exported, and no substitute market has as yet been found to absorb these cigars. Cigar exports to Spain have in recent months increased. However, the cigars consumed in Spain are of a low or medium grade, whereas those formerly exported to the United Kingdom were of the highest or better grades.

WHEREAS, Father's Day has become one of the most important merchandising events in the year; and

WHEREAS, in order to secure the benefits of Father's Day promotion it is necessary for all divisions of our Industry to coordinate their efforts behind this movement; and

WHEREAS, Father's Day is a "natural" for the promotion of the sale of tobacco products; and

WHEREAS, it is incumbent upon each individual tobacco retailer to work toward and "talk-up" Father's Day;

NOW, THEREFORE, BE IT RESOLVED, that we, the members of Retail Tobacco Dealers of America, Inc., in Eighth Annual Meeting assembled this 18th day of May, 1940 do hereby pledge ourselves to make this coming Father's Day, Sunday, June 16th, the biggest Father's Day in the history of our Industry; and

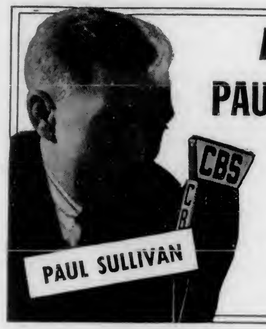
BE IT FURTHER RESOLVED, that the Officers and Directors are empowered and directed to cooperate with the wholesalers and manufacturers of our Industry in the promotion of Father's Day so as to avail for all concerned the greatest possible benefits; and

BE IT FURTHER RESOLVED, that manufacturers be urged to cooperate in the Father's Day movement by advertising and building up Father's Day and also provide suitable Father's Day packings and wrappers.

Get your Father's Day Posters from

CIGAR MANUFACTURERS ASSOCIATION

200 FIFTH AVENUE, NEW YORK, N. Y.



Now at an earlier time!

PAUL SULLIVAN REVIEWS THE NEWS

over more stations than ever before

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REMEMBER, MR. DEALER, there are four extra coupons in every carton of Raleigh plain ends. Save these valuable coupons for extra profits—cash or your choice of several dozen worthwhile premiums. Brown & Williamson Tobacco Corporation, Louisville, Ky.

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1875

NIC. ALTHAUS CO

HIGH GRADE CIGAR BOXES

CEDAR SAW MILL PLANING MILLS

LABELS, RIBBONS, CIGAR MAKERS SUPPLIES

637-641 EAST 17 ST. NEW YORK

OUR HIGH-GRADE NON-EVAPORATING CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

REMEMBER DAD

FATHER'S DAY

Paste this stamp on your letters, statements, packages, etc., to publicize and promote 1940 Father's Day.

You can obtain a supply of official Father's Day Stamps by ordering from the

NATIONAL COUNCIL FOR THE PROMOTION OF FATHER'S DAY, INC.
625 Madison Ave., New York City

The stamps are priced at $100 for 25,000

CHESTERFIELD RENEWS WARING

Liggett & Myers Tobacco Company, in the interests of Chesterfield cigarettes, will renew the Fred Waring "Pleasure Time" series over ninety-one NBC-Red Network stations for 52 weeks, effective Monday, June 17.

The Waring series is heard Mondays through Fridays from 7 to 7:15 P. M., E. D. S. T., with a repeat broadcast at 11 P. M., E. D. S. T. Although the programs which originate in the Vanderbilt Theatre in New York, are of fifteen minutes duration, Waring and his musical crew put on an additional thirty minute program for the theatre audience of approximately 700.

Agency of the Liggett & Myers account is Newell-Emmett Co., Inc.

CIGARETTE SALES TO P. R.

Stimulated by heavier Federal spending and by a sugar harvest larger than a year ago, Puerto Rico purchased 638,900,000 cigarettes from tobacco manufacturers in continental United States during the first nine months of the current fiscal year, an increase of 6 per cent. over the same period a year ago, according to a statement by the Puerto Rican Trade Council, based on U. S. Department of Commerce figures.

The island's purchases were valued at $2,882,200, a gain of 12 per cent. over the same nine months of last year, the Council stated. Total shipments of all goods to Puerto Rico were valued at $74,600,000, and were 28 per cent. higher than a year ago.

N. Y.-PA. DISTRIBUTORS MEET

Distributors from virtually every section in New York State and Northern Pennsylvania attended a special conference held May 19th at the Hotel Syracuse, Syracuse, under the auspices of the New York State division of the National Association of Tobacco Distributors. The meeting was called by H. J. Lagonegro, of the Elmira Tobacco Co., Elmira, as president of the state division. The one-day program was preceded by a meeting of the directors of the state division on Sunday morning, attended also by Henry J. Pinney, the national president; Joseph Kolodny, executive secretary, and Arthur F. Schultz, a national director.

Early to bed and early to rise,
Smoke Cigars—and Advertise

Compare MODEL'S SMOKING QUALITIES with ANY TOBACCO at ANY PRICE

HOWARD & SHELTON
Presented by
MODEL TOBACCO
Every Monday Night, Coast to Coast C. B. S. See Local Papers for Time

UNITED STATES TOBACCO CO.
630 Fifth Avenue, New York, N. Y.
Factories
RICHMOND, CHICAGO, NASHVILLE

AGAINST TAXATION; FOR FAIR TRADE

(*Continued from Page 5*)

would seem modest and reasonable to the legislators who must, in the last analysis, be convinced of its practicability. We defined cost to retailer and wholesaler as invoice less bona fide trade discounts except cash discount plus the entire cost of doing business (similar to California type) and superimposed on this definition the following two presumptions: In the case of retail cost of doing business, it is presumed that unless a lower or higher cost of doing business is shown, it shall be figured at 6 per cent. and in the case of wholesale cost of doing business, it is presumed that unless a lower or higher cost of doing business is shown, it shall be regarded as 2 per cent. Here was a bill that we felt provided everything that the advocates of the so-called straight 2 per cent. and 6 per cent. bill supported and yet, gave us the opportunity at least of being able to show, by diligent work, that the most efficient cost of doing business in our own retail trade was more than 6 per cent.

The unfair sales act that we drafted was, as the other types, applicable to all distributive trades. In January of this year we set about to proselytize the other groups that were likewise very much interested in this legislation. Let me say at this point, that it was decided that we concentrate our efforts for this type of legislation in the states of New York, Illinois, New Jersey and Ohio as these states do not have unfair sales acts and their legislatures meet during 1940.

Despite the fact that there are no protective unfair sales laws in many of the industrial states, Retail Tobacco Dealers of America, Inc., continued to promote fair trade practices in these states by voluntary agreements. As you know, the kind of concerted effort to prevent predatory trade tactics is considerably limited by law, but we did everything we could, by ethical and legal means, to discourage the growth of dishonest and unscrupulous business practices. One of our handicaps in this regard is that a large majority of the outlets retailing tobacco products are not primarily tobacco establishments and include grocery, drug, restaurants, department stores, etc.

Naturally, the influence we exert over these allied distributive lines cannot approach the persuasiveness we enjoy with our own members. For this reason and many others it is extremely difficult to eradicate trade evils in our industry by voluntary agreements. Nevertheless, we must keep trying, for discussions and efforts to bring about voluntary accords produce

SPRUCE LUMBER
for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

SPECIFY SPRUCE

Uptegrove Lumber Co.
Cigar Box Lumber for 67 years
15 Washington St. Newark, N. J.

Established 1886

"BEST OF THE BEST"

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

AUTOKRAFT
CIGAR BOXES

Boite Nature
Cedar Chests
Novelty
Wrapped

Are Outstanding In Quality-Design-Cost

AUTOKRAFT BOX CORP.

Lima, Ohio
Chicago, Ill.
Detroit, Mich.
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Hanover, Pa.
Philadelphia, Pa.
Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATIONS

VIRILE:—46,779. For all tobacco products. Registered by Harvey's, Inc., Syracuse, N. Y., on April 22, 1940.

NU-SMOKE:—46,780. For cigars, cigarettes and tobacco. Registered by Havatampa Cigar Co., Tampa, Fla., on April 13, 1940.

TRANSFERRED REGISTRATIONS

NU-SMOK:—33,875 (United States Tobacco Journal). For cigars, cigarettes and tobacco. Registered on January 24, 1908, by Schmidt & Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y. (who had taken over the Cigar Label Department of the American Litho. Co., successor to the original registrant), to Havatampa Cigar Co., Tampa, Fla., on April 19, 1940.

HUMO:—38,818 (United Registration Bureau for the Tobacco Industries), and **164,270** (United States Patent Office). For cigars. Registered August 14, 1914, and February 13, 1923, respectively, by Mazer Cigar Mfg. Co., Detroit, Mich. Transferred to Yocum Bros., Reading, Pa., on April 5, 1940.

Internal Revenue Collections

Source of Revenue	April 1940	April 1939
Cigars	$ 1,039,705.72	$ 967,591.18
Cigarettes	44,459,734.00	36,808,752.17
Snuff	611,643.02	541,682.45
Tobacco, chewing and smoking	4,515,105.11	4,071,553.32
Cigarette papers and tubes	115,885.96	144,237.71
Leaf dealer penalties	54.00	5,440.89

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of February

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	4,035,409	— 110,087	2.66
Twist	481,224	+ 10,312	2.19
Fine-Cut Chewing	299,909	— 19,131	6.00
Scrap Chewing	3,396,970	+ 472,978	16.18
Smoking	15,835,734	+ 1,124,255	7.64
Total	24,049,246	+ 1,478,327	6.55

Two Months Ending February 29

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	7,519,574	— 44,673	0.59
Twist	880,719	+ 10,143	1.17
Fine-cut Chewing	630,389	— 60,553	8.76
Scrap Chewing	6,987,934	+ 644,462	10.16
Smoking	31,000,774	+ 638,884	2.10
Total	47,019,390	+ 1,188,263	2.59

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

Register your product in the trade's consciousness by advertising in the Tobacco World

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clearer conceptions of our problems, eliminate hatreds and develop friendly understandings.

There are more than fifty local retail tobacco trade associations, representing all sections of the country affiliated with the National Association. Practically all of our officers and directors are leaders of local groups. It has been our practice to keep in close touch with and advise them on matters that call for our guidance. We can be proud of the manner in which they are conducted and their steadfastness to the retailers' cause.

The retail tobacco trade is undergoing many changes in its merchandising aspects. The last few years have seen several important departures and many retail tobacconists have been experimenting with allied lines. The alert and progressive merchant keeps abreast of times, and is always open to new suggestions for the sale of profitable merchandise.

What direction and how far this trend will go is difficult to predict at this time, but this much can be said with conviction—to survive in the retail tobacco business, one must know as much about merchandising as his competitors, whether the largest emporium or the independent across the street.

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TOBACCO WORLD

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TAX INCREASED ON CIGARETTES ONLY

By the terms of the new National Defense Tax Bill, as passed by House and Senate, there will be no change in the present taxes on cigars, smoking or chewing tobacco, snuff or cigarette paper, and the present exemption from tax of cigarette paper booklets containing 25 papers or less will also continue unchanged.

The tax on cigarettes will be increased 25¢ per thousand (from $3.00 to $3.25) and that on large cigarettes 60¢ per thousand (from $7.20 to $7.80).

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HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 JULY, 1940 No. 7

FRANK WARNER, a Philadelphia lawyer, who sent us the clipping, agrees with the Canadian newspaperman who wrote that Germans, compelled to cut down on smokes, will feel envious of Mr. Churchhiii, whom their cartoonists always show with a big cigar. But he isn't in the same class with William Williams, of Penarth, who smoked more than 300,000 cigars before his death nine years ago, or the Austrian Nanas, who accounted for 628,713. Not good for you? That depends! Mark Twain once said, "Smoking has often saved my life. Whenever I get ill, the doctor always cuts off my cigars and I get well. Where should I be if I didn't smoke cigars?"

▲

CHURCHILL'S fondness for cigars was the theme of a Philadelphia newspaper writer, also called to our attention by Frank Warner. Commenting that the picture most frequently shown of Churchill shows him bending over to take a light for a long black Havana, the newspaperman writes that maybe it's a good omen. Edward VII, of happy memory, built up the entente cordiale, and he was a great cigar smoker. As for strategists, old U. S. Grant was another cigar fan. Chamberlain, apparently, didn't smoke at all, while other recent premiers, Baldwin and MacDonald, for instance, went in for pipes. French politicians, on the other hand, affected the gasper, usually hand-rolled and dripping loose tobacco.

▲

THE big black cigar is generally associated with men of action, the popular idea being that only a superman can cope with anything so powerful. This would be another favorable augury, except that an expert of our acquaintance, he writes, tells us it's so much fluff. The color of a cigar has nothing to do with its strength, one way or the other.

▲

TO prove it, he continues, he took us down in the basement of an old warehouse on Dock Street (he doesn't mention the name, but it's Wagner's) and showed us a humidor as big as a trolley car, and stuffed with cigars. The walls were cedar-lined, and the brick floor seemed to dispense moisture rising from old Dock Creek, which still runs beneath the surface of the crooked street. Near the door were a couple of scientific instruments with bulbs and tubes, which apparently registered temperature and humidity. Obviously a place where they took a tender interest in cigars and ought to know something about them. On the shelves were several thousand boxes of cigars, all peacefully aging. Some were five or six years old, and deep, rich brown, shading to black, but as mild a smoke as you could find. Others, young and old, were pale but potent. For a collector of trivial details, one interesting thing was that the cigar boxes were all kept upside down. Doesn't affect their aging or quality, only their looks. The bottom row in any box in the humidor keeps a better appearance than the top row. Of course, when you open the lid, the former bottom row is, as far as you're concerned, the top row. The writer explains that "this doesn't sound quite clear yet, but if we had a couple of cigar boxes, we could show you."

▲

IT IS with mingled feelings that we join the tobacco industry and trade in bidding farewell to C. A. Bond on his retirement as Tobacco Agent for the Philippine Islands. We deeply regret his departure from the field he has graced so illustriously for lo these many years. We'll miss him and his influence for good. But we wish him success—yes, we envy him his opportunity—to devote all his time henceforth to the art he loves but has long been obliged to neglect in the interest of more commercial undertakings. Mr. Bond was made Tobacco Agent in 1917, when the United States entered the World War I. He relieved Major Brown, a regular Army officer who had been appointed by the Bureau of Insular Affairs to perform the duties of Tobacco Agent after the act creating the office had been passed by the Philippine legislature.

▲

PRIOR to that time, Mr. Bond had acted in various capacities with daily papers and trade journals in various parts of the world. He had been a soldier in the Philippines during the Spanish-American war, editor and manager of the *Shanghai Press* after the Boxer rebellion in China, editor of the *Manila Bulletin*, in 1904. He arrived in New York, after a trip around the world, thirty-five years ago. Within a few weeks he made contact with tobacco trade journals, accepted regular employment, first with *Tobacco*, later with *Tobacco Leaf*, and in 1915 returned to the former publication as editor and general manager. He originally entered the newspaper field as a cartoonist and illustrator. He had studied painting under John M. Gamble, dean of the artists of California, and during the intervening years he has practiced whenever he had an opportunity. We'll miss him in this editorial sanctum, but we wish him joy in now being able to do the thing he most likes to do. David F. Morris, his assistant for the last twenty years, will continue with Hon. J. M. Elizalde, Philippine Commissioner, under whose direction the work of the Philippine Tobacco Agency will be carried on, with offices in Washington, D. C.

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Philippine Cigars Up 61.14% in May

Good Month for Cigarettes, but Poor Month for All Other Tobacco Products in U. S., except Class D and E Cigars

PHILIPPINE ISLAND cigar withdrawals increased to the merry tune of 61.14 per cent. in the month of May, which was a good month for cigarettes and a poor month for all other types of tobacco products in the United States, except Class D and Class E cigars, it is learned from the figures in the report of withdrawals for consumption in the supplement to the *Tobacco Barometer*, issued by the Tobacco Merchants Association of the United States. The increase in cigarettes was substantial (5.37 per cent.); the decline in cigars (0.27 per cent.), in snuff (1.66 per cent.), in chewing and smoking tobacco (1.91 per cent.) was in each case small; the drop in little cigars (76.65 per cent.) and in large cigarettes (57.27 per cent.) was devastating.

Even Class A cigars shared in the decrease. The United States total was 417,055,085, as compared with 420,480,575, a loss of 3,424,770, or 0.81 per cent. Puerto Rico withdrawals in this class also declined 151,550, from 179,750 to 28,200. But the Philippine Islands product advanced from 14,630,810 to 23,574,565, a jump of 8,943,755, which enabled the class total to reach 440,658,570, as against 435,291,135, and thus register a net gain of 5,367,435, or 1.23 per cent.

Class B cigars totaled 3,568,240 in the United States, as compared with 3,690,600, a decrease of 123,360, or 3.32 per cent. There was a sizable P. I. gain from 5153 to 11,000, but the total was not sufficient to affect the U. S. loss, especially when combined with the P. R. drop from 28,500 to 18,900. Total loss was 3.39 per cent.

Class C cigars in the U. S. totaled 45,056,088, as compared with 43,442,484, a gain of 1,613,604, or 3.71 per cent. P. I. withdrawals also grew, from 19,644 to 33,566, and P. R. withdrawals dropped only slightly, from 26,050 to 25,150, so that the total of 45,114,804, compared with 43,488,178, showed a gain of 1,626,626, or 3.74 per cent.

Class D cigars in the U. S. totaled 3,367,174, as compared with 2,665,965, an increase of 701,209, or 26.30 per cent. This was increased to 26.49 per cent. by the P. I. rise from 1200 to 6550.

Class E cigars in the U. S. totaled 265,762, as compared with 299,934, a drop of 34,172, or 11.39 per cent. This loss was reduced to 10.70 per cent. by a P. I. gain of 2050, from 160 to 2210.

Thus the grand total of all cigars was able to show an increase through the fact that P. I. withdrawals were up in every class. P. I. total was 23,627,891, an increase of 8,970,924, or 61.14 per cent.

Cigarettes totaled 16,274,867,793. Following are the comparative figures:

Product	May, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	417,055,805	—	3,424,770	0.81
Philippine Islands	23,574,565	+	8,943,755	....
Puerto Rico	28,200	—	151,550	....
Total	440,658,570	+	5,367,435	1.23
Class B—				
United States	3,568,240	—	122,360	3.32
Philippine Islands	11,000	+	5,847	....
Puerto Rico	18,900	—	9,600	....
Total	3,598,140	—	126,113	3.39
Class C—				
United States	45,056,088	+	1,613,604	3.71
Philippine Islands	33,566	+	13,922	....
Puerto Rico	25,150	—	900	....
Total	45,114,804	+	1,626,626	3.74
Class D—				
United States	3,367,174	+	701,209	26.30
Philippine Islands	6,550	+	5,350	....
Puerto Rico	.....		.....	....
Total	3,373,724	+	706,559	26.49
Class E—				
United States	265,762	—	34,172	11.39
Philippine Islands	2,210	+	2,050	....
Puerto Rico	.....		.....	....
Total	267,972	—	32,122	10.70

Product	May, 1940		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	469,313,069	—	1,266,489	0.27
Philippine Islands	23,627,891	+	8,970,924	....
Puerto Rico	72,250	—	162,050	....
Grand Total	493,013,210	+	7,542,385	1.55
Little Cigars:				
United States	3,819,707	—	12,536,393	76.65
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	3,819,707	—	12,536,393	76.65
Cigarettes:				
United States	16,274,867,793	+	829,672,040	5.37
Philippine Islands	30,400	—	123,930	....
Puerto Rico	240,080	—	92,520	....
Total	16,275,138,273	+	829,455,590	5.37
Large Cigarettes:				
United States	142,290	—	190,710	57.27
Philippine Islands	.....		.....	....
Puerto Rico	25,400	+	25,400	....
Total	167,690	—	165,310	49.64
Snuff (lbs.):				
All United States	3,466,676	—	58,350	1.66
Tobacco (Chewing and Smoking) lbs.:				
United States	26,457,385	—	516,533	1.91
Philippine Islands	.....		.....	....
Total	26,457,385	—	516,533	1.91

Cigars and Cigarettes Up for 11 Mos.

Losses in U. S. Withdrawals Recorded by Little Cigars, Large Cigarettes, Snuff, Chewing and Smoking Tobacco

UNITED STATES cigars and cigarettes alone registered gains in withdrawals for the first eleven months of the fiscal year, according to the figures in the recently released supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the United States. U. S. cigars of all classes increased 1.60 per cent., and cigarettes 5.74 per cent. Losses were recorded by little cigars (16.40 per cent.), large cigarettes (7.66 per cent.), snuff (1.01 per cent.) and chewing and smoking tobacco (0.02 per cent.). As in the case of May alone, Philippine Islands withdrawals were up in every class of cigars, as well as in large cigarettes.

All classes of cigars in the U. S. totaled 4,858,589,901, as compared with 4,782,026,607, an increase of 76,563,294. P. I. withdrawals totaled 201,494,659, as against 166,820,559, a rise of 34,674,100, or 20.79 per cent. P. R. withdrawals, however, dropped from 1,630,500 to 1,519,300, so that the grand total, 5,061,603,860, as compared with 4,950,477,666, showed an increase of 111,126,194, or 2.24 per cent.

Class A cigars in the U. S. totaled 4,334,037,170, as compared with 4,250,837,685, an increase of 83,199,485, or 1.96 per cent. P. I. withdrawals grew from 166,227,135 to 200,682,845, an increase of 34,455,710, or 20.73 per cent. P. R. withdrawals declined 109,700.

Class B cigars in the U. S. totaled 38,289,174, as compared with 42,812,749, a decline of 4,523,575, or 10.57 per cent. P. I. and P. R. withdrawals increased.

Class C cigars in the U. S. totaled 449,019,548, as compared with 452,100,318, a decrease of 3,080,770, or 0.68 per cent. The P. I. gain was not even able to overcome the P. R. loss, not to mention that of the U. S.

Class D cigars in the U. S. totaled 33,076,102, as compared with 32,335,585, an increase of 740,517, or 2.29 per cent. P. I. gained, P. R. lost.

Class E cigars in the U. S. totaled 4,167,907, as compared with 3,940,270, an increase of 227,637, or 5.78 per cent. A 102,943 gain in P. I. withdrawals, from 30,048 to 132,991, brought this gain up to 8.33 per cent.

Little cigars dropped from 146,997,833 to 122,833,810, a matter of 24,114,023, or 16.40 per cent.

Cigarettes in the U. S. totaled 160,114,513,470, as compared with 151,415,670,501, an increase of 8,698,842,969, or 5.74 per cent. P. I. and P. R. withdrawals both dropped, but not enough to make more than a fractional effect on the percentage of loss.

Large cigarettes in the U. S. declined 7.66 per cent., but P. I. and P. R. gains reduced this to 6.94 per cent.

Snuff lost 355,018 pounds, or 1.01 per cent. Chewing and smoking lost 49,361 pounds, or 0.02 per cent.

Following are the comparative figures:

Product	1st 11 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,334,037,170	+	83,199,485	1.96
Philippine Islands	200,682,845	+	34,455,710	20.73
Puerto Rico	867,150	—	109,700	....
Total	4,535,587,165	+	117,545,495	2.66
Class B—				
United States	38,289,174	—	4,523,575	10.57
Philippine Islands	111,461	+	31,642	....
Puerto Rico	235,800	+	82,900	....
Total	38,636,435	—	4,409,033	10.24
Class C—				
United States	449,019,548	—	3,080,770	0.68
Philippine Islands	316,966	+	43,164	....
Puerto Rico	414,150	—	82,800	....
Total	449,750,664	—	3,120,406	0.69
Class D—				
United States	33,076,102	+	740,517	2.29
Philippine Islands	250,396	+	40,641	....
Puerto Rico	2,200	—	1,600	....
Total	33,328,698	+	779,558	2.40
Class E—				
United States	4,167,907	+	227,637	5.78
Philippine Islands	132,991	+	102,943	....
Puerto Rico	.....		.....	....
Total	4,300,898	+	330,580	8.33

Product	1st 11 Mos. Fiscal Yr. 1940		Increase or Decrease Quantity	Per Cent.
Total All Classes:				
United States	4,858,589,901	+	76,563,294	1.60
Philippine Islands	201,494,659	+	34,674,100	20.79
Puerto Rico	1,519,300	—	111,200	6.82
Grand Total	5,061,603,860	+	111,126,194	2.24
Little Cigars:				
United States	122,883,810	—	24,114,023	16.40
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	122,883,810	—	24,114,023	16.40
Cigarettes:				
United States	160,114,513,470	+	8,698,842,969	5.74
Philippine Islands	772,340	—	1,166,897	....
Puerto Rico	3,352,940	—	1,082,240	....
Total	160,118,638,750	+	8,696,593,832	5.74
Large Cigarettes:				
United States	2,158,960	—	179,208	7.66
Philippine Islands	3,175	+	2,054	....
Puerto Rico	206,800	+	539	....
Total	2,368,935	—	176,615	6.94
Snuff (lbs.):				
All United States	34,873,221	—	355,018	1.01
Tobacco (Chewing and Smoking) lbs.:				
United States	277,308,866	—	49,361	0.02
Philippine Islands	54	—	99	....
Total	277,308,920	—	49,460	0.02

NO INCREASE IN CIGAR TAX FOR DEFENSE

THE House and Senate conferees reached an agreement on the new National Defense Tax Bill June 21 and their report was accepted the following day by both the House and the Senate with the result that the bill now lacks only the President's signature to become law. Referring to tobacco products, the Senate proposals to eliminate all increases in taxes on tobacco products, including cigarette paper, were adopted, except with respect to cigarettes. As regards cigarettes, a compromise was reached by increasing the tax on cigarettes 25¢ per thousand (from $3.00 to $3.25) and that on large cigarettes 60¢ per thousand (from $7.20 to $7.80), the increase in each case amounting to one-half of that proposed by the House.

Thus there will be no change whatever in the present taxes on cigars, smoking or chewing tobacco, snuff or cigarette paper, and the present exemption from tax of cigarette paper booklets containing 25 papers or less will likewise continue unchanged.

However, as above indicated, during the period "after June 30, 1940, and before July 1, 1945," the cigarette tax rate will be $3.25 per thousand on those weighing not more than three pounds per thousand, and $7.80 per thousand on those weighing more than three pounds per thousand.

A floor stocks tax is levied at a rate equal to the increase in tax upon cigarettes "which on July 1, 1940, are held by any person for sale," (the words "otherwise than in retail stocks," contained in the House bill, having been eliminated).

Attention is directed to the following provisions in the bill as finally passed:

"SEC. 212. CIGARETTES—Subchapter A of Chapter 15 of the Internal Revenue Code is amended by inserting at the end thereof the following new sections:

"SEC. 2004. DEFENSE TAX FOR FIVE YEARS—In lieu of the rates of tax specified in Section 2000 (c) (2) the rates of tax for the period after June 30, 1940, and before July 1, 1945, shall be $3.25 and $7.80 respectively.

"SEC. 2005. FLOOR STOCKS TAX—(a) *Floor Stocks Tax*—Upon cigarettes subject to tax under Section 2000 (c) (2) which on July 1, 1940, are held by any person for sale there shall be levied, assessed, collected, and paid a floor stocks tax at a rate equal to the increase in rate of tax made applicable to such articles by Section 2004.

"(b) *Returns*—Every person required by this section to pay any floor stocks tax, on or before August 1, 1940, under such regulations as the Commissioner with the approval of the Secretary shall prescribe, make a return and pay such tax, except that in the case of articles held by manufacturers and importers the Commissioner may collect the tax with respect to all or part of such articles by means of stamp rather than return, and in such case may make an assessment against such manufacturer or importer having tobacco tax stamps on hand July 1, 1940, for the difference between the amount paid for such stamps and the increased rates specified in section 2004.

"(c) *Laws Applicable*—All provisions of law, including penalties, applicable in respect of the taxes imposed by section 2000 shall, insofar as applicable and not inconsistent with this section, be applicable with respect to the floor stocks tax imposed by subsection (a)."

PROPAGANDA AGAINST AMERICAN CIGARETTES IN CUBA

The Cuban press carries considerable propaganda against the increasing importation and consumption of American cigarettes, following the abolishing of cigarette premium goods. In an editorial appearing in a Habana daily commercial paper, the creation of a special class of Cuban cigarettes for women was advocated as a means of combating the increased consumption of American cigarettes.

The assistance of society leaders, officials and all persons occupying positions in clubs, societies, and organizations was solicited, it being suggested that the introduction of these cigarettes at lunches, dinners, picnics, and teas by Cuban hosts and hostesses would serve to popularize them so that in a short time they would attain considerable success. It was pointed out that importers of American cigarettes popularize their brands by numerous advertising methods.

In practically every Cuban periodical or review there appears an attractive drawing or photograph advertising an American brand of cigarette. Such is not the case with the numerous brands of Cuban cigarettes. In former days large sums were spent in Cuban cigarette advertising in order to make smokers conscious of these products.

In recent years this type of advertising has given place to the advertising of cigarette premium goods, the quality of tobacco employed in the manufacture of the cigarette not being brought out in the advertisement. It has even been proposed that the Cuban Secretary of State issue instructions to Cuban state functionaries abroad that they use the benefit of their office for furthering the sale of Cuban cigars and cigarettes, the complaint being that these Government officials living abroad smoke foreign brands of cigars and cigarettes, thus missing a splendid opportunity to advertise Cuban products.

A front page article on this subject states that "it is only logical that such matters can not be resolved in a day, but it is a sad reality to know that day by day the Republic is slowly losing the grip it previously had on foreign markets. The loss of such markets is not owing to poor merchandise, but rather to the lack of interest taken by our officials in defending Cuban products abroad. The Cuban cigarette has been displaced almost completely in foreign countries except in such minor markets as the Canary Islands, Panama and Peru."

CIGARETTES IN GERMANY

Many cigarette factories in Germany have been forced to restrict production because operatives were commandeered for work in munition factories. Increased cigarette consumption among civilians and soldiers has caused an acute shortage. After the 4- and 5-pfennig cigarettes disappeared almost completely, a growing shortage developed in the cheaper grades, and of late retailers have been selling only 1 package of 5 or 10 cigarettes to a customer at a time; therefore to satisfy the demand for a day and, especially, for the week end, purchases are made in several stores, the result being that long ques may be seen in front of tobacco stores. Moreover, many stores close early when their daily quota has been exhausted.

Tobacco in the Philippine Islands

THE methods of growing tobacco in the Philippine Islands are practically identical with those employed by other tobacco-producing countries, if not similar to them. Seedbeds are prepared and sown in September and October, and the plants are set in November and December. Harvesting starts in February and is completed in April or May. In some sections it is necessary to water new transplanted tobacco by hand, but in other sections where the climate is milder hand watering is not necessary.

The principal tobaccos grown in the Philippine Islands are fillers of a cigarish type; however, sun-grown and shade-grown wrappers are produced. A miscellaneous type used in the manufacture of native chewing tobacco is cultivated on a very limited scale, and aromatic cigarette fillers are grown in regions with distinctly dry and wet seasons, where soil is somewhat heavy and less fertile. In rich soil a luxuriant growth is obtained; however, the crop does not cure readily to the required yellow color, which is the desired quality of Virginia-type leaf, as it does when grown in poorer soil. Flue-cured aromatic tobacco can be grown successfully in alluvial lands in regions with a short dry season.

In the cigar-filler types the average yield per hectare runs from 900 to 1300 kilograms. Standard varieties of the wrapper types, for open culture, yield from 400 to 550 kilograms per hectare, while shade-grown varieties of wrapper tobacco will yield from 550 to 850 kilograms. In the aromatic varieties, otherwise known as the Bright group, the yield per hectare runs from 550 to 1100 kilograms. Included in the aromatic group are Adcock, North Carolina Bright Yellow, Orinoco, other American varieties, and the Turkish type. The Turkish type average yield is from 400 to 550 kilograms per hectare. The different kinds of tobacco under the miscellaneous types, which are produced from any of the cigar-type varieties, vary in yield from 400 kilograms in some varieties to 800 kilograms in others.

The tobacco grower in the Philippine Islands does not enjoy freedom from tobacco pests and diseases. The most dreaded pest is the tobacco cutworm which feeds on tender leaves. The long-horned green grasshopper is also destructive. Leaf and manufactured products are beset with the cigarette beetle.

The most fatal disease undermining Philippine tobacco is the green-leaf spot which affects shade-grown wrapper. Less fatal are mosaic, bacterial and fusarium wilt on open-culture types. Cutworms are adequately controlled. Control measures against the cigarette beetle are sterilization and sanitation. Crop rotation and the development of highly resistant varieties are the most practical remedies against wilt, while green leaf spot may be checked by proper harvesting and curing. In all safeguards against pests and diseases the Philippine tobacco grower is alert.

The aggregate area devoted to the growing of tobacco in the Philippine Islands is approximately 65,000 hectares annually. About one-half of the growing area is in the Cagayan Valley, one-fourth in the Ilocos region and Central Luzon, and the remaining one-fourth is scattered in the provinces of Visayan Islands and Mindanao. The production of wrapper, the Virginia type and the miscellaneous types, is negligible, totaling only 3000 hectares, and the area is scattered.

Approximately 62,000 hectares are devoted to the production of the cigar-filler type. The Cagayan Valley produces fillers and a small quantity of wrapper. Visayan and Mindanao are purely cigar-filler sections. The Virginia type is grown in Central Luzon provinces, and the sun-grown Sumatra type in Mindanao. The majority of tobacco planters are small independent farmers who grow other crops and the annual return from tobacco might be considered a direct income, for the reason that growers do not spend cash in growing tobacco.

Only 2 per cent. of the cultivated area of the Philippine Islands is devoted to tobacco; however, the Philippine Islands ranks seventh among world's tobacco producing countries, and tobacco and its products, exported to forty-four customer countries, rank fifth in the list of export commodities.

The assessed value of lands devoted to tobacco culture is near P 20,000,000, and the investment in tobacco factories approaches P 25,000,000. Depending on the tobacco industry, there are engaged in production, manufacture, and traffic about 600,000 people, and the total investment in the industry and its necessary connections amounts to approximately P 60,000,000. The tobacco industry of the Philippine Islands affords the most important individual item of Government revenue for it contributes no less than one-half of the excise taxes collected. The average yearly collection from specific, privilege, and sales taxes during the six-year period 1930-1935, inclusive, was P 8,856,689.

Fully 50 per cent. of the annual production of tobacco in the Philippine Islands is exported in the form of cigars, cigarettes, leaf tobacco and other manufactured products, while internal consumption accounts for the remainder.

The foregoing statement regarding the tobacco industry in the Philippine Islands is a brief summary of the industry, as set forth in a Philippine Island publication, reviewed by the Tobacco Division, Department of Commerce. Further information regarding the industry may be had by application to the Director of Plant Industry, Department of Agriculture and Commerce, Commonwealth of the Philippines, Manila.

Leaf tobacco grown in the Philippine Islands and the products thereof enjoy a world-wide distribution. During 1939 leaf exports amounted to 42,419,209 pounds, and cigars 207,667,488 units. Of these amounts the United States accounted for 15,170,234 pounds of leaf and 196,481,233 cigars, leaving other countries to account for 27,248,975 pounds of leaf and 11,186,255 cigars. Spain, in the first eleven months of 1939, accounted for 9,725,941 pounds of leaf.

Under the provisions of the Philippine Economic Adjustment Act, which was passed by the United States Congress in August, 1939, shipments of both leaf tobacco and cigars to the United States will be subjected to quotas beginning January 1, 1940. The quotas for 1940 are 4,500,000 pounds of leaf and scrap tobacco and 200,000,000 cigars. These quotas will be decreased by 5 per cent. during subsequent years until 1946, at which time full United States import duties will be imposed.

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Trade with Latin-American Republics

THE development of economic co-operation in the Americas carries with it, as one of its essential features, an increase in the exchange of non-competitive products between the United States and the Latin-American republics. Among the products that figure in inter-American trade, tobacco occupies a peculiar position, being neither wholly competitive nor wholly non-competitive. Both Latin America as a whole and the United States have large export surpluses and to some extent compete in sales abroad. At the same time, the differences in types of leaf grown in the respective areas have left room for a moderate inter-American trade. The United States surplus, which has averaged about 450 million pounds during the past few years, has been largely of flue-cured and fire-cured types, whereas the surplus from the Latin-American countries, which has been about 125 million pounds annually, has been primarily of cigar and heavy dark air-cured types. The present unsettled world conditions have made it increasingly difficult to move these surpluses to their normal foreign markets and have intensified the importance of an increase in trade between the Americas. The backing up of surpluses in these areas, however, has made an increase difficult.

During the past five years the Latin-American countries have been an outlet for about 4.5 million pounds annually of United States leaf, largely flue-cured and fire-cured types, and about 3.5 million pounds of tobacco products, chiefly cigarettes and smoking tobacco. On the other side of the ledger, the United States has taken about 14.4 million pounds of Latin-American leaf, largely Cuban cigar tobacco; and about 0.1 million pounds of products, mostly Cuban cigars. The trade in both directions has declined during the past several years, and present trends and existing obstacles indicate an even greater decline, especially as regards United States exports to the southern countries.

Most of the Latin-American countries have high duties on leaf and tobacco products, and high internal taxes. In some instances the import duty represents several times the value of the leaf or product, and in some of the countries the rates are higher on leaf and products originating in the United States than on those from neighboring Latin countries. Internal taxes on tobacco products are in some cases higher on products made from imported leaf than on those made from domestic tobacco. These high charges on foreign tobacco tend to restrict consumption to domestic leaf, and have encouraged the home production of United States types of tobacco required in the manufacture of certain products. The output of United States types is still limited and does not meet total requirements. If, however, expansion in production follows the trend that has occurred in most other areas that have taken up the production of United States types, the output may soon displace most of the relatively small imports from the United States, and in time may be sufficient to enable a substantial export.

Low incomes of most of the population, which is estimated at about 126 million persons, tend to restrict consumption to the cheaper products made exclusively from domestic leaf. It is estimated that for the whole of Latin America, only about 10 to 15 per cent. of the population have sufficient income to enable them to use the higher-priced products containing United States leaf.

Present conditions are not favorable to a substantial increase in United States imports of existing types of Latin-American tobacco. It is believed, however, that the imports will not continue to decline as in the past several years and may show a slight increase. Most of the import has been Cuban cigar leaf, and the decline has resulted largely from a lower level of cigar consumption. There has been a slight upturn, however, in cigar consumption in the United States in recent years, and if it continues it might result in larger takings of Cuban leaf.

Mexico and Central America

The production of tobacco in Mexico, the six Central-American republics, and British Honduras during the past five years is estimated to have been about 55 million pounds annually, and consumption near this amount. Exports, imports and intershipment of leaf in the area have been small; the total of shipments leaving the eight individual countries has been about 2.1 million pounds annually and total receipts about 1.7 million pounds. Part of this movement is intershipment between the countries, and it is estimated that for the area as a whole a total of about 1.5 million pounds of leaf is exported to points outside of Mexico and Central America and about 1.1 million pounds imported. There has been no material change in the export volume, but imports have declined substantially. Imports of leaf from the United States during the past five years, as indicated by shipments from this country, have averaged less than 0.7 million pounds annually as compared with about 1.8 million pounds during the 1920's. Until 1931, most of the import of United States leaf was of the Kentucky-Tennessee fire-cured type, but in recent years the proportion of this type has dropped to about one-fourth of the total. Imports of United States flue-cured leaf have increased both in volume and proportion and now represent about one-third of the total. The remaining one-third is largely of the burley type.

Exports of tobacco products by Mexico and the Central-American countries have been relatively insignificant, and imports have been small. Most of the import, or about 0.9 million pounds annually, has been from the United States. Cigarettes account for a large part of the total, followed by chewing tobacco, cigars and smoking tobacco in order of their importance.

There never have been significant imports of either leaf or products into the United States from Mexico and Central America, and for recent years they have been practically nil.

Approximately 70 per cent. of the total domestic production of tobacco in Mexico and Central America is in Mexico, where the annual output during the past five years has been about 37.5 million pounds. Honduras, for which latest available estimates indicate a production of about 7 million pounds annually, is next in importance, and production in the remaining six countries is in each case reported to be less than two million pounds annually. A variety of types of leaf is produced, but dark air-cured types, including cigar leaf, predominate. United States types, and especially flue-cured and burley, are grown in Mexico and some of the other countries, but as yet the production is limited and is all used in domestic consumption.

The per-capita consumption of tobacco of the entire population of Central America, estimated at about 26 million people, is low. It averages about 2.5 pounds annually, as compared with approximately 6.6 pounds in the United States. Low incomes of a large part of the population, combined with the abstinence from the use of tobacco on the part of most of the women, account for the low consumption.

South America

Tobacco production during the past five years in the ten South American republics and the three foreign possessions on the Continent is estimated at about 330 million pounds and consumption at about 260 million pounds annually. The total movement of leaf from the individual countries during recent years has been about 85 million pounds annually and receipts about 23 million pounds. Of these amounts, approximately 12 million pounds represent intershipment between the respective countries, which leaves an export for the area as a whole of about 73 million pounds, and an import of about 11 million pounds annually. As in Mexico and Central America, the volume of leaf exports has not changed materially, but imports have declined. Imports from the United States during the past five years have averaged about 2.2 million pounds annually as compared with approximately 3.6 million pounds during the 1920's. Prior to 1932 about three-fourths of the imports of United States leaf were of fire-cured types, but in recent years flue-cured leaf has accounted for about two-thirds of the total. Imports of burley have also increased.

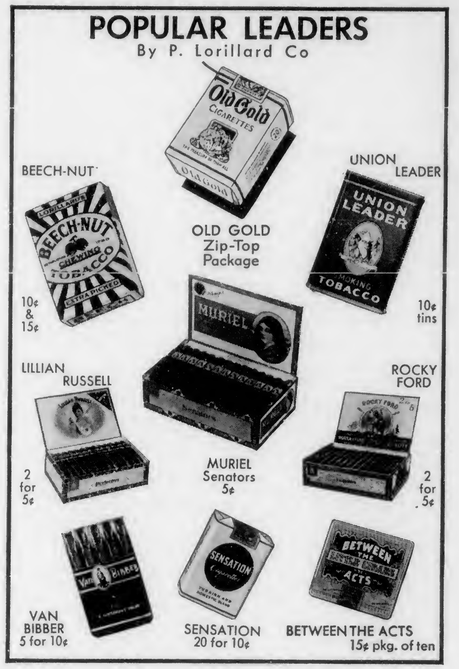
A large share of tobacco products imported into South America comes from the United States, averaging for the past five years approximately 1.5 million pounds annually. Over half of this volume has been represented by cigarettes, and a substantial part has been smoking tobacco. Exports of products from the area have been small.

United States imports of leaf and tobacco products from South America have been limited to small quantities of leaf coming from the ports of Argentina and a few cigars from Brazil.

Approximately two-thirds of the leaf grown in South America, or about 210 million pounds annually, is produced in Brazil, which also exports about four-fifths of the tobacco leaving the Continent. Most of the remaining one-third of the production is in the countries of Argentina, Colombia, and Paraguay, of which the latter two are relatively important exporters. Argentina is the largest importer, taking about three-fourths of the total South American leaf import and two-thirds of the import from the United States. Uruguay, Brazil, and the Guianas account for most of the remaining import from the United States.

Leaf grown in South America consists largely of dark air and sun-cured types, including cigar leaf. Most of the United States types are grown in one or more of the South American countries, and their production, particularly that of flue-cured, has increased in recent years. The combined production of all of the United States types, however, still represents a small portion of total leaf grown. Available information indicates that the greatest expansion has been in Argentina, where in 1939-40 about 4500 acres, or approximately 9 per cent. of the total tobacco area, were of United States types.

(Continued on Page 12)



TMA REPORTS ON TAX BILL

THE Tobacco Merchants Association of the U. S. was happy to advise its members that the Senate Finance Committee reported the new Defense Tax Bill to the Senate with the recommendation that the entire schedule of tobacco tax increases passed by the House be stricken from the bill. In other words, the Committee recommended to the Senate that there should be no increases whatever in the present taxes on cigars, cigarettes, smoking or chewing tobacco, snuff, or cigarette paper, and also that the present exemption from tax of cigarette paper booklets containing 25 papers or less should be continued.

According to the association's advices, the report stated:

"(1) All increases on tobacco and tobacco products under the House Bill have been eliminated. Your Committee is of the opinion that the tax on tobacco and tobacco products is already very high and that any increase in this tax would have a tendency to injure the tobacco farmer and decrease the consumption of tobacco products.

"Under the Committee amendment the rates of existing law now applicable to snuff, snuff flour, manufactured tobacco, cigars, cigarettes and cigarette papers are continued.

"(2) Under existing law, packages and books containing 25 papers or less are exempt from the tax on cigarette paper. Your Committee believes that this exemption should be continued for the reason that its elimination would result in considerably curtailing the consumption of smoking tobacco. The Committee amendment therefore restores this exemption which had been eliminated in the House Bill."

COWPUNCHING IN TOBACCO LANDS

COWPUNCHING, long associated with the song and story of the western plains, has taken root in the tobacco lands of eastern North Carolina. But the glamorous cowboy with his "six-shooters" did not come east with the cattle. Instead practical farmers, with an eye to the European situation, ride the Carolina ranges in unglorified pick-up trucks.

In the late sixteenth century Sir Walter Raleigh started the tobacco business by offering Queen Elizabeth a puff on an Indian's pipe. She didn't like it but a lot of others did and 350 years later North Carolina, which Sir Walter first colonized, led the world in both the growth and manufacture of the weed. Then again in England something happened which may vitally affect the business. Involved in war, Britain closed its doors to American tobacco.

At once the Carolina growers closed their markets and kept them closed until the great majority of farmers had signed an agreement to curtail sharply the 1940 crop. That kept the 1939 prices from dropping disastrously but there was still the problem of what to do with the land and men engaged in tobacco growing. Many turned to beef cattle and herds, most of them small but some of almost western proportions, were imported. Like their cousins in the hills and mountains of western North Carolina, who have developed a sizable beef cattle industry over a period of years, the easterners are leaning to the Hereford breed. In the meantime several packing plants have arranged to open branches near the new range.

Many fields of old southern plantations, where for a hundred years lofty tobacco plants waved in the summer winds, are now planted in the feed crops. In the meantime, less fertile lands, including those cleared in lumbering and pulpwood operations, are being turned into pastures—a fact important in the state's campaign to prevent erosion in former woodlands, as well as to the new cattle raisers themselves.

EFFICIENCY IN TOBACCO INDUSTRY

PRODUCTIVE efficiency in the tobacco manufacturing industry increased 140 per cent. in the years between 1923-24 and 1936-37, according to a study that has been completed at the Brookings Institution. Rising taxes on tobacco products, however, prevented most of this productivity gain from being passed on to consumers in lower prices. The survey of tobacco manufacturing was made as part of a larger study of productivity, wages and national income, which was financed by the Falk Foundation, of Pittsburgh.

The physical volume of output rose only 17 per cent., despite the large man-hour productivity increase, and as a result there was a large decline in employment. Man-hours of employment decreased by 51 per cent. and the number of wage earners by 35 per cent.

The gain in productive efficiency of the entire industry is partly due to the fact that cigarette production, which is highly mechanized, formed an increasing proportion of the total, whereas output of cigars and other products, requiring more hand-work, declined.

Between 1923 and 1937, output in the cigarette branch of the industry rose by about 155 per cent., whereas output in the cigar branch declined 26 per cent. Although the cigarette branch of the industry in 1935 accounted for three-fourths of total value of tobacco products, it employed only 31 per cent. of the wage earners; cigar manufacturers, producing 14 per cent. of the total product, employed 62 per cent. of wage earners. Thus the decline in cigar production had an adverse effect on employment disproportionate to the value of the product. And, although this decline was arrested in 1933 and an upward trend began, mechanization of the cigar industry thenceforth resulted in a continuing employment decline.

Hourly wages increased nearly 17 per cent., which, with allowance for the decline in living costs, was equivalent to a gain of 35 per cent. in buying power.

Weekly money earnings declined 12.5 per cent., and there was a slight gain of less than 2 per cent. in "real" weekly earnings. Total wages paid in the industry declined by 17.5 per cent., substantially more than the drop in living costs.

There was fairly close correspondence between unit wage costs and the prices of products in the cigar and "all other" branches of the tobacco industry, but little correspondence in the cigarette branch.

The more flexible prices in the industry, outside of cigarette manufacture, may be attributed in part to the more competitive position of producers in the other branches. There were more competitors in these other divisions than in the cigarette branch, and the demand for cigars and package tobacco was on the decline, while cigarette consumption was growing.

Moreover, the cigarette branch of the tobacco industry has borne the brunt of the tax burden. With a Federal tax of 6 cents per pack on cigarettes, and a raw material cost of about 1½ cents per pack, possible economies were so small a percentage of the total price, plus tax, that price reductions seemed ineffective as a means of increasing consumption and thereby providing more employment.

MARKETING QUOTA REFERENDUM

Secretary of Agriculture Henry A. Wallace has announced that plans are being made to hold a marketing quota referendum among growers of flue-cured tobacco on July 20. Representative growers, warehousemen, and businessmen of the flue-cured tobacco area have requested a vote before the market opens, and have suggested July 20 as the date for the referendum.

While the date for the referendum can not be set before July 1, re present stocks of flue-cured tobacco make it certain that the total supply for the 1940-41 season will exceed the quota level and that a referendum will be required.

The Agricultural Adjustment Act of 1938 directs the Secretary of Agriculture to proclaim the quota at any time after July 1 when he determines that the total supply is above the reserve supply level. This level is 5 per cent. above the "normal supply," which equals 275 per cent. of a normal year's domestic consumption plus 165 per cent. of a normal year's exports.

The present stocks of bright tobacco are the largest on record as a result of the huge 1939 crop and sharply reduced exports. Present indications are that the July 1 carryover will be around 1425 million pounds.

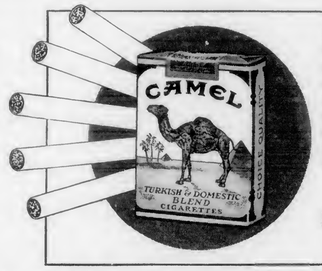
FASTER! FASTER!

"Speed's the thing in aquaplaning," says Florence Holliss,
"but in a cigarette the fun and the extras go with slower burning...with Camels."

THERE'S A FRESH THRILL in every white-capped wave—a breathtaking bounce that says, *hang on or take your ducking!* Pretty Florence Holliss, riding the board above, likes the fast pace in sports. But in cigarettes, she prefers the slower-burning brand... Camels.

"THE FASTER THE PACE, the more the fun," says Florence Holliss, above. But she likes her smoking *slow*. "I always smoke Camels," Florence says. "Camels are extra mild and extra cool." Smoke Camels and enjoy *extra pleasure* and *extra smoking* (see below).

EVERY DAY more and more smokers are discovering that the important "extras" in cigarette pleasure and value go with slow burning... Camels. For slow burning preserves and heightens natural tobacco flavor and fragrance... means freedom from the excess heat and irritating qualities of too-fast burning. Camels, with their matchless blend of costlier tobaccos and a slower way of burning unequaled in recent tests (*see right*), give you extra mildness, extra coolness, extra flavor... and extra smoking per pack. Get more pleasure per puff and more puffs per pack in slower-burning Camels... your best cigarette buy.



In recent laboratory tests, CAMELS burned 25% *slower* than the average of the 15 other of the largest-selling brands tested—slower than *any* of them. That means, on the average, a smoking *plus* equal to

5 EXTRA SMOKES PER PACK!

Copyright, 1940, R. J. Reynolds Tobacco Company
Winston-Salem, North Carolina

SLOWER-BURNING CAMELS GIVE YOU—

EXTRA MILDNESS **EXTRA COOLNESS** **EXTRA FLAVOR**

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

TUNE IN— *Brown & Williamson Tobacco Corporation*
"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday and Sunday

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1875
NIC. ALTHAUS CO
MANUFACTURERS OF NICE GRADE CIGAR BOXES
CEDAR, SAW AND PLANING MILLS
LABELS, RIBBONS, CIGAR MAKERS SUPPLIES
657-641 EAST 17 ST. NEW YORK

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

REBATES PROHIBITED

In enjoining six cigar companies, a Federal judge, for the first time, has considered it necessary to require defendant employers to sign a stipulation that they would not attempt to get back any part of the wage restitution they were ordered to pay. Wage and hour attorneys said they considered the "anti-kickback" stipulation a precedent, and that they would request a similar stipulation in the future whenever circumstances seemed to call for it.

The stipulation, signed by representatives of six companies engaged in the manufacture of hand-rolled cigars in York County, Pa., decrees that "defendant will not procure, suffer, permit, or allow, by any method whatsoever any of his said employees to repay, rebate, refund in any manner, directly or indirectly, to the defendant, the money paid to him or her by the defendant . . . or any part thereof."

The stipulation was incorporated in a court order directed at each of the six firms when it was reported that some of the 500 hand cigarmakers had been told the factories would not reopen, or they would not be given their old jobs back, unless they agreed to return to the companies the more than $33,000 in restitution provided for by the injunctions.

TRADE WITH LATIN AMERICA

(Continued From Page 9)

The per-capita consumption of tobacco by the estimated 89 million persons in South America is somewhat higher than in Mexico and Central America and is estimated to average about 3.25 pounds annually. The higher rate is attributed to somewhat larger incomes.

West Indies

The production of tobacco during the past five years on the numerous islands of the West Indies, excluding Puerto Rico and the Virgin Islands, belonging to the United States, is estimated to have totaled about 65 million pounds annually, and consumption has averaged approximately 25 million pounds. About two-thirds of the annual total leaf export of approximately 40 million pounds has been from Cuba and most of the remainder from the Dominican Republic. Imports of leaf by the islands as a whole have averaged less than two million pounds annually, of which over two-thirds has been flue-cured leaf and the rehandled leaf classified as black fat, water-baler, or dark African from the United States. The volume of leaf imports has not changed materially in recent years, but exports have dropped sharply. Exports from Cuba, including trimmings and scrap, averaged only about 26 million pounds for the three years, 1936-1938, as compared with 45 million pounds during the period 1930-1932.

Imports of tobacco products into the West Indies, largely from the United States, have been relatively small. Total shipments from the United States to the islands during the past five years have averaged less than one million pounds annually, most of which were cigarettes. Exports of products from the islands, consisting largely of cigars from Cuba, have been relatively large but are declining. Exports of Cuban cigars dropped from an average of 52 million pieces during the three years 1930-1932 to 36 million during the period 1936-1938.

Much of the decline in exports of West Indies leaf and cigars has resulted from smaller takings by the United States. Imports of Cuban leaf by the United States declined from about 18 million pounds annually during the period 1930-1932 to less than 13 million pounds during the period 1936-1938. Imports of Cuban cigars declined even more drastically, or from 12.1 million to 2.8 million pieces.

Nearly three-fourths of the tobacco production of the West Indies is in Cuba, where the output during the past five years has averaged about 48.3 million

Compare
MODEL'S SMOKING QUALITIES
with ANY TOBACCO *at* ANY PRICE

HOWARD & SHELTON
Presented by
MODEL TOBACCO
Every Monday Night, Coast to Coast C. B. S. See Local Papers for Time

UNITED STATES TOBACCO CO.
630 Fifth Avenue, New York, N. Y.
Factories
RICHMOND, CHICAGO, NASHVILLE

pounds. Most of the remainder is in the Dominican Republic. Production of the other islands is in each case estimated at one million pounds or less. Almost the entire output is of cigar-type leaf.

The per-capita consumption of tobacco by the estimated population of 11 million persons is approximated at three pounds annually. This is less than half the per-capita consumption in the United States, but compares favorably with that of South America and exceeds the estimated per-capita consumption of Mexico and Central America.

TOBACCO IN PHILIPPINES

(Continued from page 7)

There is no doubt that the imposition of these quotas is beneficial to the Philippine cigar industry, since the quotas are very generous and the industry operates on such a narrow margin of profit that it would not be able to pay even the smallest export taxes without seriously affecting its stability. The quota of 200,000,000 cigars for 1940 is adequate, and it is said that the increases should not be seriously felt before about 1943, when the quota will be considerably below normal shipments.

However, it would seem impossible to be very optimistic concerning the immediate outlook of the Philippine cigar industry. Production costs have been materially increased as a result of the enforcement of various labor legislation. Furthermore, Philippine cigars are sold in the American market on a price rather than a quality basis, although the industry is able to produce high-grade cigars.

Under present conditions, a number of factories claim to be operating at a loss, and even the most efficient manufacturers are able to show a profit solely on the basis of volume production. If this volume is materially curtailed, these producers will be faced with serious losses. Under these conditions, it may be said that the industry will continue to be fairly stable during 1940, but that it will begin to feel the pinch in 1941, and may be in serious straits during the following year.

PHILIP MORRIS ADDS STATIONS

The Philip Morris Musical Game, an unusual new audience participation program added 27 stations to its lineup with the broadcast of June 23 for a network of 63 CBS stations. The series, which is broadcast Sundays at 8:30-8:55 P. M., rebroadcast at 11-11:25 P. M., is sponsored by Philip Morris & Company, Ltd., for Philip Morris cigarettes.

SPRUCE LUMBER
for CIGAR BOXES
It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars
SPECIFY SPRUCE
Uptegrove Lumber Co.
Cigar Box Lumber for 67 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"
OPTIMO CIGARS
VERY MILD VERY MILD
Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

AUTOKRAFT
CIGAR BOXES
Boite Nature Novelty
Cedar Chests Wrapped
Are Outstanding In
Quality-Design-Cost
AUTOKRAFT BOX CORP.
Lima, Ohio Hanover, Pa.
Chicago, Ill. Philadelphia, Pa.
Detroit, Mich. Hellam, Pa. Wheeling, W. Va.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATION

HEDKLEER:—46,595 (Tobacco Merchants Association of the U. S.). For all tobacco products. Registered December 29, 1936, by A. H. Finley, Scranton, Pa. Transferred to Hed Kleer Tobacco Co., Inc., Buffalo, N. Y., on June 11, 1940.

Internal Revenue Collections

Source of Revenue	May 1940	May 1939
Cigars	$ 1,160,155.17	$ 1,142,944.25
Cigarettes	48,825,814.77	46,338,447.85
Snuff	624,001.67	634,504.70
Tobacco, chewing and smoking	4,764,579.35	4,855,305.21
Cigarette papers and tubes	124,450.85	134,671.43
Leaf dealer penalties	369.74	415.00

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of March

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	3,805,804	— 515,715	11.93
Twist	453,734	— 37,405	7.62
Fine-cut Chewing	335,070	— 88,043	20.81
Scrap Chewing	3,363,062	— 2,211	0.07
Smoking	16,086,939	— 1,364,229	7.82
Total	24,044,609	— 2,007,603	7.71

Three Months Ending March 31

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	11,325,378	— 560,388	4.71
Twist	1,334,453	— 27,262	2.00
Fine-cut Chewing	965,459	— 148,596	13.34
Scrap Chewing	10,350,996	+ 642,251	6.62
Smoking	47,087,713	— 725,345	1.52
Total	71,063,999	— 819,340	1.14

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

KAYWOODIE GETS PLAQUE

On behalf of the National Association of Tobacco Distributors, Joseph Kolodny, executive secretary, on June 3d presented to Rudolph Hirsch, president of the Kaywoodie Company, a bronze plaque as a reward for having its exhibit at the 1940 N. A. T. D. Convention judged the "most attractive."

The presentation took place at the New York showrooms of the company, 630 Fifth Avenue, New York, in the presence of a number of local distributors, representatives of the company and of the trade press. These included Sam Wasserman, B. Wasserman Co.; Louis Cole, Sokolinsky, Inc.; Lee H. Singer, vice-president, Kaywoodie Company; Walter Cohn, Sam Manheimer and Dick Paul, of the Kaywoodie sales staff, and Carl Werner, of the Tobacco Leaf; H. B. Patrey, of the Retail Tobacconist and Tobacco Jobber; Phil Lottman, of the U. S. Tobacco Journal.

TOBACCO TRADE ORGANIZATIONS

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GEORGE W. HILL, New York, N. Y. ..... Vice-President
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CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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J. RENZ EDWARDS, Kansas City, Kan. ..... Treasurer
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THOMAS C. BREEN ..... Treasurer
SAMUEL BLUMBERG ..... General Counsel
Executive Committee—Alvaro M. Garcia (Ex-officio), Thomas C. Breen, Harley W. Jefferson, D. Emil Klein, Walter E. Popper, Harry C. Carr, and Arthur A. Schwarz.

THE YORK COUNTY CIGAR MANUFACTURERS ASSOCIATION

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JACK EDELSTEIN ..... Treasurer
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WESTERN CONFERENCE POSTPONED

The Western Conference of the National Association of Tobacco Distributors, which had been scheduled for June 15th and 16th at the St. Francis Hotel, San Francisco, was postponed to August 3d and 4th. The original dates for the conference were set before the present major crisis in Europe developed as a result of the military activities in the low countries and in northern France. Because of the repercussions in this country, it was considered advisable to postpone the conference until such time as the events shall have been clarified.

CHESTERFIELD RENEWS

The Liggett & Myers Tobacco Company has renewed for one year, effective June 17, the "Chesterfield Presents Fred Waring in Pleasure Time" program, heard over the NBC Red Network Monday through Friday from 7 to 7:15 P. M., E. D. S. T. The program is repeated at 11 P. M. Monday through Friday except Wednesday. "Pleasure Time" features Fred Waring and his Pennsylvanians in the interest of Chesterfield cigarettes. Newell Emmett Co. is the agency.

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TOBACCO WORLD

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TOBACCO IS KING IN UNITED STATES

More than five and one-half billion cigars and nearly 178 billion cigarettes were consumed in the United States during the 1939-1940 fiscal year ended June 30. Add to these more than 130 million little cigars, more than two and one-half million large cigarettes, nearly 38 million pounds of snuff, and more than 302 million pounds of chewing and smoking tobacco, and you get an idea of the still growing popularity of tobacco among the American people. Truly, in the United States, Tobacco is King!

and MILDER

and BETTER-TASTING

There you have it... good reasons why Chesterfield gives so much smoking pleasure to so many people.

Treat yourself to a package today and every day . . . you'll see at once the refreshing difference in Chesterfield's right combination of the world's best cigarette tobaccos.

CHESTERFIELD

America's Busiest Cigarette

Copyright 1940, LIGGETT & MYERS TOBACCO CO.

HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 AUGUST, 1940 No. 8

WE in the United States are prone to boast about our standard of living. And well we may, for in our enjoyment of necessities, conveniences and luxuries, we stand head and shoulders above the rest of the world. We use two-thirds of the world's automobiles, half of its telephones and 40 per cent. of its railways. We consume a third of the world's coffee, sugar and electrical energy, better than half of its rubber and silk. Sixty-four millions of our people are protected by life insurance with a total face value of about one hundred and fourteen billion dollars. Approximately forty-four million savings bank depositors have accounts which total more than twenty-four billion dollars.

▲

OUR men now shrink from appearing before friends or even strangers with a 24-hour growth of beard. Our women openly renew their make-up, even in public places, rather than present a tired, unattractive face to the world. The accepted interval between baths has crept up from once a week to at least once a day. As for unclean teeth, unpleasant breath and other preventable indecencies, they're *out*. It would be untrue that advertising did all this for the people of the United States. But it is entirely true that advertising inspired and stimulated it. It is the job of advertising to quicken the exchange of goods in the nation's market places. To fulfill its mission, advertising not only tells you about these goods, but tries to excite your desire for them. It pictures them as a means toward lightening your burdens, increasing your leisure, enhancing your personal attractiveness, building your health, protecting your home and family, putting more joy and satisfaction into your life. Most people respond to advertising and its enthusiasms. They find it fascinating. Further, and most important, they use it as a guide to improved merchandise, better values, and a better way of life. Most people read the ads—the news about what's in the marketplace—as eagerly as they read the news about politics, war, social affairs and sports. To them the ads conjure visions of romance to come in their own lives.

▲

BUT the sour-pusses are always with us, and they have entered the scene against advertising just as they have against the whole American free enterprise system. They are the people who are always ready to tell you that our national and economic social structure is wrong and should be remade. They are the failures, the self-appointed do-gooders, the frustrated, embittered professors, all egged on by agents of foreign governments and their fellow-travelers. The burden of their mournful song is that all advertising is an economic waste and that advertisers misrepresent their goods. Let's see. Cast your mind back to the automobiles of the first few years of this century. Then a big, heavy, unreliable gas eater could be bought—without top, windshield, horn or spare tire—for from $2,000 to $6,000. Few people bought this expensive luxury. But automobile manufacturers saw a vision, a nation on wheels. They advertised persistently. More people bought. As production went up, cost per car came down. Part of the saving went to the public in lower prices. Part was put into improvement. Part went into continued advertising. Again more people bought better cars for less money. And so it went, year after year. Continual advertising, production and value up, cost and price down, until today you buy an infinitely better, more efficient car, complete, for less than half of the lowest price of a few years ago. The same is true of the refrigerator, oil burner, radio and many another product of your acquaintance. Economic waste?

▲

AND misrepresentation? Advertisers and publishers themselves attacked fraudulent advertising and quack products years ago. They sponsored laws to stop crooks from deceiving the consumer. But largely as a result of the activities of our present crop of radical agitators, new legislation requires the Federal Trade Commission to censor all advertising under a puritanical standard that restricts enthusiasm to a minimum and outlaws imaginative expression. Last year the Commission studied the gigantic total of 220,760 printed advertisements and 643,796 radio commercials—864,556 advertising messages—looking for something wrong. As a result, only 679 cases were followed up as suspicious. Only 230 stipulations were negotiated—a stipulation being an agreement not to use advertising statements to which the Commission has taken exception. Some of these, though not all, were "admissions" of bad practice made, no doubt, simply in lieu of long-drawn-out expensive lawsuits. Double dealers are bound to crop up occasionally in advertising, just as in politics, sports, the law and every other human activity. But in advertising they don't last long, for statements made by advertisers are made in public, and that is the worst possible place to tell a lie.

▲

SO next time a radical attacks advertising in your presence, think back on your own experience and tell him with confidence where to head in. We need advertising. It should be encouraged to go on its cheerful, constructive way, eyes forward and upward, helping to build the nation to greater economic strength; to maintain our living standards and ideals through whatever may come to us in a troubled world. Give advertising your confidence and support. You will be well repaid.—This editorial on "Advertising and Our Standard of Living" is reprinted through courtesy of *Nation's Business*.

The TOBACCO WORLD (est. 1881) is published by Tobacco World Corporation; Hobart B. Hankins, President and Treasurer; B. S. Phillips, Vice-President; John Cleary, Secretary. Office, 236 Chestnut Street, Philadelphia, Pa. Issued monthly. Subscriptions, available only to those engaged in the tobacco industry or trade, $1.00 a year, 15 cents a copy; foreign, $1.75 a year. Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

P. I. and P. R. Cigars Increase in June

And, of All Other Types of Tobacco Products, Cigarettes Alone Show a Gain in Last Month of First Half

OF all types of tobacco products, cigarettes and cigars from the Philippine Islands and Puerto Rico alone rolled up a great total of withdrawals for consumption in June this year than in the same month last year, it is revealed in the Supplement to the Tobacco Barometer issued by the Tobacco Merchants Association of the United States. Cigarettes registered an increase of 5.85 per cent.; Philippine Island cigars, 10.16 per cent.; Puerto Rico cigars, more than 500 per cent. The declines ranged from 7.68 per cent. for chewing and smoking tobacco to 46.38 per cent. for large cigarettes. United States cigars dropped 10.62 per cent., Class B alone showing a gain. Snuff decreased 11.77 per cent. and little cigars 45.88 per cent.

Cigars of all classes in the U. S. totaled 435,029,473, as compared with 486,721,353, a decrease of 51,691,880. P. I. cigar withdrawals totaled 17,748,615, as compared with 16,112,169, an increase of 1,636,646. P. R. withdrawals totaled 208,900, as compared with 32,960, an increase of 175,940. Total cigars of all classes were 452,986,988, as compared with 502,866,482, a drop of 49,879,494, or 9.92 per cent.

Class A cigars in the U. S. totaled 390,869,785, as compared with 438,218,415, a loss of 47,348,630, or 10.80 per cent. P. I. cigars totaled 17,734,315, as compared with 16,097,790, a gain of 1,636,525, or 10.17 per cent. P. R. cigars totaled 119,250, as compared with 31,860, a gain of 87,390.

Class B cigars in the U. S. totaled 3,881,693, as compared with 3,603,690, an increase of 278,003, or 7.71 per cent. This was the only class or type of tobacco products marked by plus signs right down the line, for the P. I. and the P. R. withdrawals were also ahead, the former by 1,123 and the latter by 20,500, with the result that the class total of 3,906,543 topped the 1939 figure of 3,606,917 by 299,626, or 8.31 per cent.

Class C cigars in the U. S. totaled 37,248,242, as compared with 41,474,578, a decline of 4,226,336, or 10.19 per cent. A P. I. loss and a P. R. gain converted this to a net loss of 4,160,888, or 10.03 per cent.

Class D cigars in the U. S. totaled 2,754,090, as compared with 3,134,237, a decrease of 380,147, or 12.13 per cent. A P. I. loss of 1,300 brought this to 12.15 per cent.

Class E cigars in the U. S. totaled 275,663, as compared with 290,433, a loss of 14,770, or 5.09 per cent. P. I. cigars went from nothing to 2,700.

Cigarettes totaled 17,565,041,013, as compared with 16,594,511,013, an increase of 970,530,000, or 5.85 per cent. P. I. cigarette withdrawals declined, P. R. registered an increase.

The total of little cigars was 7,363,907; of large cigarettes, 174,250; of snuff, 2,896,537 pounds; of chewing and smoking tobacco, 24,763,334 pounds.

Following are the comparative figures:

Product	June, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	390,869,785	—	47,348,630	10.80
Philippine Islands	17,734,315	+	1,636,525	10.17
Puerto Rico	119,250	+	87,390	....
Total	408,723,350	—	45,624,715	10.04
Class B—				
United States	3,881,693	+	278,003	7.71
Philippine Islands	3,800	+	1,123	....
Puerto Rico	21,050	+	20,500	....
Total	3,906,543	+	299,626	8.31
Class C—				
United States	37,248,242	—	4,226,336	10.19
Philippine Islands	4,500	—	2,602	....
Puerto Rico	68,600	+	68,050	....
Total	37,321,342	—	4,160,888	10.03
Class D—				
United States	2,754,090	—	380,147	12.13
Philippine Islands	3,300	—	1,300	....
Puerto Rico	.....		.....	....
Total	2,757,390	—	381,447	12.15
Class E—				
United States	275,663	—	14,770	5.09
Philippine Islands	2,700	+	2,700	....
Puerto Rico	.....		.....	....
Total	278,363	—	12,070	4.16
Total All Classes:				
United States	435,029,473	—	51,691,880	10.62
Philippine Islands	17,748,615	+	1,636,446	10.16
Puerto Rico	208,900	+	175,940	....
Grand Total	452,986,988	—	49,879,494	9.92
Little Cigars:				
United States	7,363,907	—	6,242,000	45.88
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	7,363,907	—	6,242,000	45.88
Cigarettes:				
United States	17,565,041,013	+	970,530,000	5.85
Philippine Islands	13,150	—	69,250	....
Puerto Rico	765,840	+	215,750	....
Total	17,565,820,003	+	970,676,500	5.85
Large Cigarettes:				
United States	174,250	—	148,672	46.04
Philippine Islands	.....		.....	....
Puerto Rico	15,000	—	15,000	....
Total	189,250	—	163,672	46.38
Snuff (lbs.):				
All United States	2,896,537	—	386,440	11.77
Tobacco (Chewing and Smoking) lbs.:				
United States	24,763,334	—	2,060,459	7.68
Philippine Islands	.....	—	405	....
Total	24,763,334	—	2,060,864	7.68

Only Cigars and Cigarettes Show Gain

Cigar Increase Spread Among Classes A, D and E in 1939-1940 Fiscal Year; Philippine Cigar withdrawals up 19.85%

CIGARS and cigarettes, the two major types of tobacco products, registered increases and all other types recorded decreases in the 1939-1940 fiscal year ended June 30, according to the Supplement to the Tobacco Barometer issued by the Tobacco Merchants Association of the United States. The cigar gain was spread among Classes A, D and E. The highest percentage figure of increase in the entire report was that of total Philippine Island cigar withdrawals—19.85 per cent. The U. S. gain in cigars was 0.47 per cent., and the Puerto Rico gain, 3.89 per cent. Little cigars dropped 18.90 per cent., large cigarettes 11.74 per cent., snuff 1.93 per cent., and chewing and smoking tobacco 0.69 per cent. Cigarettes gained 5.75 per cent.

Cigars of all classes in the U. S. totaled 5,293,619,374, as compared with 5,268,737, an increase of 24,881,871. P. I. withdrawals totaled 219,243,274, as compared with 182,932,728, an increase of 36,310,546. P. R. withdrawals totaled 1,728,200, as compared with 1,663,460, an increase of 64,740. Total was 5,514,590,848, as compared with 5,453,333,691, a gain of 61,257,157, or 1.12 per cent.

Class A cigars in the U. S. totaled 4,724,906,955, as compared with 4,689,046,550, an increase of 35,860,405, or 0.76 per cent. P. I. withdrawals totaled 218,417,160, as compared with 182,324,925, a climb of 36,092,235, or 19.80 per cent. P. R. withdrawals totaled 986,400, as compared with 1,008,710, a drop of 22,310.

Class B cigars in the U. S. totaled 42,170,867, as compared with 46,416,133, a decline of 4,245,266, or 9.15 per cent. Gains in both P. I. and P. R. withdrawals reduced this loss to 8.81 per cent.

Class C cigars in the U. S. totaled 486,267,790, as compared with 493,574,820, a drop of 7,307,030, or 1.48 per cent. A gain from P. I. and a loss from P. R. served to reduce this loss fractionally to 1.47 per cent.

Class D cigars in the U. S. totaled 35,830,192, as compared with 35,469,822, an increase of 360,730, or 1.02 per cent. By virtue of a P. I. gain and a P. R. loss, this was converted to a 1.12 per cent. increase.

Class E cigars in the U. S. totaled 4,443,570, as compared with 4,230,178, an increase of 213,392, or 5.04 per cent., which was raised to 7.49 per cent. by an increase of 105,643 in P. I. withdrawals.

Cigarettes in the U. S. totaled 177,679,554,483, as compared with 168,009,895,460, an increase of 9,669,659,023, or 5.75 per cent. P. I. cigarettes declined 1,237,147, and P. R. cigarettes 866,490.

Little cigars totaled 130,247,717, as compared with 160,630,740, a decline of 30,356,023.

Large cigarettes totaled 2,558,185, as compared with 2,898,471, a drop of 340,286.

Snuff totaled 37,769,758 pounds, as compared with 38,511,216, a loss of 741,458.

Chewing and smoking tobacco totaled 302,072,254 pounds, as compared with 304,182,386, a loss of 2,110,132.

Following are the comparative figures:

Product	Fiscal Yr. Ending June 30, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,724,906,955	+	35,860,405	0.76
Philippine Islands	218,417,160	+	36,092,235	19.80
Puerto Rico	986,400	—	22,310	....
Total	4,944,310,515	+	71,930,330	1.48
Class B—				
United States	42,170,867	—	4,245,266	9.15
Philippine Islands	115,261	+	32,765	....
Puerto Rico	256,850	+	103,400	....
Total	42,542,978	—	4,109,101	8.81
Class C—				
United States	486,267,790	—	7,307,030	1.48
Philippine Islands	321,466	+	40,562	....
Puerto Rico	482,750	—	14,750	....
Total	487,072,006	—	7,281,218	1.47
Class D—				
United States	35,830,192	+	360,370	1.02
Philippine Islands	253,696	+	39,341	....
Puerto Rico	2,200	—	1,600	....
Total	36,086,088	+	398,111	1.12
Class E—				
United States	4,443,570	+	213,392	5.04
Philippine Islands	135,691	+	105,643	....
Puerto Rico	.....		.....	....
Total	4,579,261	+	319,035	7.49
Total All Classes:				
United States	5,293,619,374	+	24,881,871	0.47
Philippine Islands	219,243,274	+	36,310,546	19.85
Puerto Rico	1,728,200	+	64,740	3.89
Grand Total	5,514,590,848	+	61,257,157	1.12
Little Cigars:				
United States	130,247,717	—	30,356,023	18.90
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	130,247,717	—	30,356,023	18.90
Cigarettes:				
United States	177,679,554,483	+	9,669,659,023	5.75
Philippine Islands	785,490	—	1,236,147	....
Puerto Rico	4,118,780	—	866,490	....
Total	177,684,458,753	+	9,667,556,386	5.75
Large Cigarettes:				
United States	2,333,210	—	327,880	12.32
Philippine Islands	3,175	+	2,055	....
Puerto Rico	221,800	—	14,461	6.12
Total	2,558,185	—	340,286	11.74
Snuff (lbs.):				
All United States	37,769,758	—	741,458	1.93
Tobacco (Chewing and Smoking) lbs.:				
United States	302,072,200	—	2,109,628	0.69
Philippine Islands	54	—	504	....
Total	302,072,254	—	2,110,132	0.69

READY FOR WESTERN CONFERENCE

THE plans are shaping up rapidly for the Western Conference of the National Association of Tobacco Distributors, scheduled to be held at the St. Francis Hotel, San Francisco, August 3d and 4th. In many respects, it will be the most unique section meeting of tobacco wholesalers ever held in the United States, and acceptances have been received from the principal distributors in all the West Coast, Rocky Mountain and southeastern states. Manufacturers were notified by the NATD that their western representatives would be cordially welcome to attend the conference and to participate in the general activity.

It had been originally planned to hold the meeting on June 15th and 16th but the postponement was decided upon in view of the unsettled conditions at that time incident to the National Defense Tax Program.

Sylvian Mirsky, B. Mirsky & Son, NATD Director, in San Francisco, will act as host for the occasion.

On Saturday evening, August 3d, those attending the conference and their guests will be entertained with a splendid banquet at the Hotel St. Francis.

The first Western Conference of the NATD was held in June, 1939, and proved so tremendously successful that it will doubtless be an annual event, inasmuch as it gives the distributors in the far west an excellent opportunity to discuss and consider the major problems which concern them mutually in that territory.

Joseph Kolodny, executive secretary of the NATD, as well as other national officers and directors, plan to attend the Western Conference. Many of the new issues and problems which have arisen since the adoption of the National Defense Program, will be included in the broad range of subjects which will come before the meeting.

NEW CAMEL SHOW

Bob Crosby, heard on the Camel Caravan over the NBC Red Network at 10 P. M., Saturdays, has launched a new series for the R. J. Reynolds Tobacco Company over a 52-station Red and Blue Network Thursdays. The new Camel show, to be known as the "Dixieland Music Shop," will feature Bob Crosby and his orchestra and a new soloist, Bonnie King, of Kansas City, hailed as the find of the year among blues singers. "Uncle Ezra" will take over the Camel Caravan Saturday spot starting July 13. With the new Crosby show the R. J. Reynolds Company will have four programs a week on the NBC networks—"Luncheon at the Waldorf," "Uncle Ezra" and "Dixieland Music Shop" in the interest of Camel Cigarettes, and "The Grand Ole' Opry" for Prince Albert Tobacco. William Esty & Co., Inc., is the agency.

WAITT & BOND CHANGES

James M. Porter has resigned from the presidency of Waitt & Bond, Inc., and is succeeded by William E. Waterman, chairman of the board. R. B. Donnelly, formerly with General Foods and the Vick Chemical Co., has been named vice-president in charge of sales, sales promotion and advertising.

LORILLARD AGREEMENTS SIGNED

AGREEMENTS between the P. Lorillard Company and the International Association of Machinists and the Cigar Makers' International Union, American Federation of Labor, were signed in Richmond, Va., June 25, in ceremonies at the John Marshall High School. Several hundred employees of P. Lorillard's Whitlock Branch, company officials, union officers and representatives of Federal and state labor agencies attended.

Spokesmen expressed satisfaction with the contracts, which included a master agreement covering P. Lorillard plants in Richmond, at Jersey City, N. J., and Louisville, Ky. They joined in the mutual hope that formal signing of the agreements would mark the beginning of prolonged harmony and cooperation between management and employees, and both sides sealed the pact with outspoken pledges to live up to the spirit and letter.

Terms of the contracts were settled recently at conferences in Washington between negotiators for the company and the unions, aided by representatives of the conciliation service of the United States Department of Labor.

Howard T. Colvin, director of the southeastern region of the conciliation service of the Labor Department, acted as master of ceremonies. Among those who spoke briefly were Mrs. Maude Lenz, local business agent for the cigar makers; Thomas B. Morton, State Commissioner of Labor and Industry; W. F. Robinson, State Industrial Commissioner; George W. Whitefield, of New York, executive vice-president of P. Lorillard Company; A. A. Thompson, business agent of the machinists; Francis P. Fenton, of Washington, director of organization of the American Federation of Labor; E. S. Bowling, of New York, vice-president of the P. Lorillard Company; Todd Wool, of New York, secretary of the company; Mrs. Rosa Tryall, president of Local 163 of the cigar makers; Major Charles T. Estes, of Washington, conciliation commissioner of the Labor Department; Randolph Ricks, president of Local 178 of the cigar makers.

MARKETING QUOTAS

More than 86 per cent. of the flue-cured tobacco growers who voted in the July 20 referendum approved adoption of marketing quotas for the three years, 1941-43, according to preliminary returns announced today by the Agricultural Adjustment Administration.

The total number of ballots cast is expected to be near 200,000 when final tabulations are completed. Thus far counted are 191,408 votes, of which 164,698 approve quotas for three years, or 86.1 per cent.

Approving quotas for one year only were 3409 votes, making a total of 168,107 in favor of quotas for either the one-year or three-year periods. This amounted to 87.9 per cent. of the vote. A total of 23,211 votes were cast in opposition to quotas.

It was the first referendum for flue-cured tobacco growers since Congress adopted legislation providing for decision by growers on marketing quotas for three years as well as for one year. For the year 1938, quotas were approved by 86.2 per cent. of 255,095 votes cast. For 1939, quotas were rejected when only 56.8 per cent. of the 233,393 votes cast approved quotas. For 1940, quotas were approved by 90 per cent. of 250,671 votes cast.

Cuban Exports Up for 5 Months

CUBAN exports of leaf and manufactured tobacco registered a 3 per cent. decline in value during May, 1940, in comparison with the May, 1939 trade, according to a review of Cuban official tobacco statistics from the American Consulate General, Havana, made available to the trade by the Tobacco Division, Department of Commerce. However, the total export value for the first five months of 1940 advanced 3 per cent. over that of the same period of 1939, due to the higher value of shipments to the United States.

The leaf tobacco export trade of Cuba in May, 1940, fell heavily (40 per cent.) in volume, but showed a gain of 5 per cent. in value, as against May, 1939, exports. The following decreases were shown in shipments of tobacco manufactures: Cigars, 23 per cent. in volume and 34 per cent. in value; cigarettes, 25 per cent. in volume and 27 per cent. in value; smoking tobacco, 28 per cent. in volume and 19 per cent. in value.

Cuban tobacco exports to the United States in May, 1940, consisted of 19,780 pounds of wrapper tobacco, valued at $23,712; 147,818 pounds of filler tobacco, valued at $75,855; 1,038,243 pounds of stemmed leaf, valued at $653,792; 394,509 pounds of scrap leaf, valued at $106,158; 257,157 cigars, valued at $25,668; 14,460 cigarettes, valued at $43, and 15 pounds of smoking tobacco, valued at $9.

Aside from shipments to the United States, the outstanding features of May tobacco exports from Cuba were shipments to Spain of 615,593 pounds of filler tobacco, valued at $110,043, and 1,120,500 cigars, valued at $80,667. Exports of cigars to the United Kingdom, ordinarily the largest market for that product, totaled 4420 cigars, valued at $574, as compared with 1,514,684 cigars, valued at $156,785, in May, 1939.

Leaf tobacco shipments from Cuba during the first five months of 1940 gained 16 per cent. in volume and 21 per cent. in value over the corresponding months of 1939. Exports of stemmed leaf showed the greatest increase (20 per cent. in volume and 24 per cent. in value, filler tobacco improved 19 per cent. in volume and 26 per cent. in value, and wrapper tobacco approximately 1 per cent. in both volume and value. Scrap tobacco shipments, however, declined slightly (1 per cent. in both volume and value). A heavy loss of 53 per cent. in volume and 61 per cent. in value was noted in Cuban cigar exports during the January-May 1940 period; also, cigarette shipments fell 13 per cent. in both volume and value. The trade in smoking tobacco declined 21 per cent. in volume, but only 9 per cent. in value.

The value of Cuba's tobacco export trade with the United States during the first five months of 1940 advanced 14 per cent. over that of the same months of 1939. In fact, exports to the United States during the 1940 period accounted for 64.4 per cent. of the value of total tobacco shipments, as against 58.2 per cent. in the first five months of 1939.

Cuban exports of leaf tobacco to the United States during January-May 1940 registered an improvement of 9 per cent. in volume and 14 per cent. in value over exports in the like period of 1939. Stemmed leaf shipments gained 19 per cent. in volume and 23 per cent. in value; filler tobacco noted a slight increase (less than 1 per cent.) in volume, but decreased less than 1 per cent. in value; wrapper tobacco exports fell 6 per cent. in volume and 9 per cent. in value, and scrap tobacco showed a loss of 7 per cent. in volume and 6 per cent. in value. An advance of 8 per cent. in volume and 7 per cent. in value occurred in cigar shipments to the United States during the 1940 period; also, a heavy gain (more than 150 per cent. in both volume and value) was noted in cigarette exports. The trade in smoking tobacco fell 14 per cent. in volume and 4 per cent. in value.

Prior to the World War, an effort was made to grow tobacco commercially in the Hawkes Bay District of the North Island of New Zealand. However, it was not until 1921 that the first successful experiments were made, and in 1925 450 acres were planted in tobacco in the Motueka District of the South Island. In 1931-32 the total acreage was 1,726 acres and the yield 1,318,624 pounds. The 1932-33 crop amounted to about 1,784,676 pounds, from 2126 acres, the average production cost being between 1s. and 1s.3d. per pound. It was estimated that approximately half of the production in that period was air-cured and half flue-cured. Optimistic statements relative to New Zealand as a potential tobacco-producing country were made and it is understood that the New Zealand Government conceived the idea of settling a large number of unemployed on the land to cultivate tobacco. Also, there was considerable agitation on the part of representatives of growers in favor of increased customs duties for protection purposes.

The importance of the Cuban tobacco industry is such that much of the prosperity of the Island is dependent upon it, and difficult conditions in this industry are immediately reflected in lessened commercial activity in general. Tobacco and the manufacture of cigars and cigarettes is usually considered to form the second industry on the Island and is one of the groups of products for which it is most famous. The greater part of the finest quality leaf is grown in the Province of Pinar del Rio, the balance being grown mostly in Habana and Santa Clara Provinces. The finest and most famous leaf from which the highest grade Havana cigars are made, known as "Vuelta Abajo," is grown in the western provinces and is largely consumed in Havana factories, while the "Vuelta Arriba" or "Remedios" is largely exported as a filler tobacco. There are but few reliable and complete data on the output of Cuban industrial plants; however, according to statistics obtained from private, government, and other sources, the production of Cuban tobacco manufacturing concerns in 1939 amounted to 44,501,548 Spanish pounds or a loss of 18 per cent. as compared with 54,539,244 pounds in 1938, and 19 per cent. as against 54,615,128 pounds in 1937.

IRVIN A. REGENSBURG

The sudden death of Irvin A. Regensburg was a shock to the tobacco industry and trade. Son of Isaac Regensburg and grandson of Edward Regensburg, who founded the firm of E. Regensburg & Sons, he was associated with his brothers, Alan and Edward, in the business. Besides his brothers, he is survived by his widow, a nine-year-old daughter, a four-year-old son, and his parents, Mr. and Mrs. Isaac Regensburg.

Retailers and Price Policy

By H. Esmond Rowley

GENERALLY speaking, there are two ways of conducting a retail establishment, selling competitive merchandise. One, maintaining a resale price affording a reasonable profit, though some sales will be lost to other dealers who cut prices; the other, to offer low prices on popular items not affording a reasonable profit, per se, in the belief that the loss of such profit can be made up in the sale of more profitable and less competitive merchandise and/or a sufficient income derived through a quick turnover of the popular items.

In our line of business, our thoughts immediately turn to cigarettes, cigars and allied items. No doubt we all are repeatedly asking ourselves what policy we should pursue. Usually in such cases there is a middle of the road course, turned to as the most practical, and that seems advisable in the case of most dealers such as ourselves.

We all recognize that a certain class of dealer exists, handling only the very finest of merchandise and catering only to the very select class of trade that not only does not countenance cut prices, but properly recognizes such prices as detrimental to his reputation. Such dealers are few in number compared with the total. While not of this type, another class is in a similar position as to prices, namely, night clubs, high-grade hotels and restaurants—where the public expects to pay full prices because of the elements of service and overhead that go with such places.

Then comes the class of fine merchants, of which there are a great many, conducting their establishments on a businesslike basis, carrying a generous line of the popular merchandise as well as good private brands, and catering to the successful business men of our country. These are the ones on which the foundations of our business rest, and the ones who must meet, in some way, the cut-price competition of the class of dealer who must depend on price alone for selling his merchandise. It is this class that usually adopts the middle of the road course to advantage.

The other class—that of the cut-rater, as the term implies—must depend on the price-cutting feature and, to a large extent, feeds upon the reputation and business structure reared by the previous class. As such, it is not necessarily an asset to the foundation of business, in a broad sense.

It seems probable that we all agree that, if popular merchandise were sold in all outlets at the same price, there would be no less of it sold than under conditions where some dealers sell at cut prices. Possibly some items would suffer, at the expense of others, maybe only temporarily, and should the total, by chance, fall off a bit, such loss would much more than be made up by the return on what was sold. That, of course, seems Utopian in nature, and we all remember the N. R. A. with its attempt to bring such a situation nearer to realization.

Now we have our Fair Trade laws, which, if used, afford a more limited opportunity of approaching the same result, but with no force behind it to obligate all products to be filed under such laws. Therefore, until such time as your association can create a better situation, it seems the part of good judgment for the general class of fine dealers to utilize every opportunity to handle such merchandise as is "Fair-Traded" and, on other merchandise that must be stocked, to go half way in meeting cut-price competition, and even in some cases meeting it in full, depending more on his elements of service and store atmosphere, plus the elimination of all long-shot merchandise, to convince the consumer that his store is the kind to trade in. The temptation often presents itself to make up for the loss on sales of cut-priced items through an excessive profit on other merchandise, which isn't worth the price asked for it. That's not good business. In the long run you've got to give value for money received if you are in business for a long haul.

There is another evil, all too familiar to most of you, that can bear being brought to light again, which is the matter of taxes and its effect on our business returns. To illustrate the point, let's consider a store with a sale, monthly, of one million popular cigarettes. Before the tax went into effect, we'll assume the owner of the store was selling them at 13 cents a package and two packages for 25 cents. Assuming he paid $6.25 per thousand less 8 per cent., his cost per package would be 11½ cents. His mark-up on a sale of one package would be 11.53 per cent., and on two packages for 25 cents, it would be 8 per cent. Now, a 2-cent per package state tax comes along and the price is advanced to 15 cents per pckage, or two packages for 29 cents.

With the new State tax the cigarettes now cost, on the same list and discount basis, 13½ cents a package. Now, his mark-up on a sale of one package at 15 cents with tax included drops to 10 per cent. from 11.53 per cent., and on two packages at 29 cents, it drops to 6.89 per cent. from 8 per cent. Yet, at the end of the month, our sales show an increase over the same month a year ago, when there was no tax, and at first glance we feel pretty good until we find that instead of having more cash in the till to take out in profit, we have no more than before.

To put it differently, one million cigarettes on the above basis of cost, before the tax, would cost $5750, and if all were sold at the before-tax price of 13 cents per package, the sales would have amounted to $6500 with a profit of $750 or 11.53 per cent. Now, with the tax included, the same cigarettes cost $6750, and if all were sold at 15 cents a package the sales would amount to $7500, a profit of $750, the same as before, but a mark-up of only 10 per cent. Let's not fool ourselves into thinking the increase in our dollars and cents sales is worth anything under such circumstances, but may in reality be a handicap as it has required, in this case, $1000 more of investment, on which we gained no return.

SMALL TOBACCO CROP

WITH the exception of 1932 and the two drought years of 1934 and 1936, the tobacco crop of 1,291,685,000 pounds indicated on July 1 this year is the smallest since 1927; about 30 per cent. less than was produced in 1939 and about 5 per cent. below the ten-year (1929-38) average production. A total of 1,437,300 acres of tobacco is now estimated for harvest in 1940, which is about 29 per cent. below last year's near record acreage of 2,014,500 acres. The ten-year (1929-38) average acreage of tobacco is 1,673,750 acres.

Much of the decrease in tobacco production is accounted for by the sharp reduction indicated July 1 in production of flue-cured tobacco. The prospect is for a flue-cured crop of about 676,645,000 pounds this season compared with 1,159,320,000 pounds produced in 1939 and the ten-year average production of 709,466,000 pounds. The 753,300 acres of flue-cured tobacco now estimated for harvest in 1940 is in marked contrast to last year's record acreage of 1,287,900 acres and the ten-year (1929-38) average of 907,180 acres. The decrease in the flue-cured acreage from last year of about 42 per cent. is distributed rather uniformly over the four types comprising this class of tobacco.

The production of fire-cured tobacco has been declining rather consistently for several years, but the estimated production of 95,807,000 pounds for this season is slightly above last year's crop of 95,604,000 pounds. However, it is about 71 per cent. of the ten-year average production of 134,470,000 pounds. The estimated acreage of fire-cured tobacco is 116,200 acres compared with 111,700 acres harvested in 1939 and the ten-year average of 169,720 acres.

A Burley tobacco crop of 333,966,000 pounds is indicated for the 1940 season. This represents a decrease of about 15 per cent. from the 1939 Burley crop but is somewhat larger than the ten-year average production. A decrease in Burley acreage of about 12 per cent. is indicated, placing the 1940 estimated acreage at 380,800 acres compared with 432,200 in 1939 and the ten-year average of 404,050 acres.

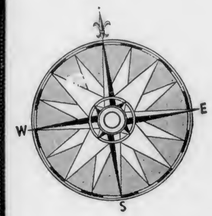
July 1 indications point to a decrease of about 19 per cent. in the 1940 production of Maryland tobacco. The estimate is now 24,192,000 pounds compared with 29,796,000 pounds last year and the average production of 26,096,000 pounds. The estimated 1940 acreage of Maryland tobacco of 37,800 acres is only slightly less than the 38,200 acres harvested in 1939. The ten-year average acreage of this type of tobacco is 36,390 acres.

Prospects are for a dark air-cured tobacco crop of 42,062,000 pounds compared with last year's production of 43,287,000 pounds and the ten-year average of 43,389,000 pounds. The acreage of all dark tobacco is placed at 48,900 acres. Last year's dark tobacco acreage was 48,000 acres and the ten-year average is 52,900 acres.

Production of cigar tobacco this year is indicated at 119,013,000 pounds or about 5 per cent. less than the 1939 crop of 125,849,000 pounds, and approximately 4 per cent. less than the ten-year average production of 124,004,000 pounds. Most of the decrease is accounted for by the filler types which are down about 24 per cent. from last year. The binder types indicate an increase of about 3 per cent. while the wrapper class shows a decrease of approximately 10 per cent. The acreage of all cigar tobacco this year is 100,300 acres compared with 96,500 acres in 1939 and the average of 102,950 acres.

POPULAR LEADERS
By P. Lorillard Co.

All Over the Nation



Smokers Enjoy the Sparkling Taste of

El Producto

All around the compass you find El Producto enthusiasts. This magnificent cigar goes away beyond around-the-corner popularity.

G. H. P. Cigar Co., Inc., Phila., Pa.

Growth of Fair Trade Laws

By Malcolm L. Fleischer

Executive Secretary, R. T. D. A.

THERE is no gainsaying the fact that fair trade laws have had a remarkable development in this country the past five years. Practically every state legislature, during this time, has considered and adopted one form or another of the fair trade proposals. Essentially the fair trade statutes can be divided into two main divisions, namely, resale price maintenance laws and unfair sales acts. The former are known as permissive laws which enable the owners of trade-marked commodities, in open and fair competition with products of the same general class, to stipulate by fair trade contracts the minimum retail and wholesale selling prices of their products. The latter, which are compulsory and of a penal nature, prohibit the selling of any commodity below cost with the intent to injure competition.

Both types of the fair trade laws are directed at proscribing the distributive trade evil characterized as the "loss-leader" practice; a method of merchandising which exploits deep price cuts on "bargain" articles that serve to lure customers for the concealed purpose of fleecing them through the sale of other commodities on which the merchant makes an exhorbitant profit. The "loss-leader" practice is by no means confined to so-called big business and can be adopted easily by the small man. It can wreak more damage in a community than a tornado, and more people have been driven out of business in recent years by it than for any other cause. If individual initiative and independent enterprise is to survive in the distributive fields, the pernicious practice of price-cutting must be eliminated.

To date forty-four states have adopted resale price maintenance laws of practically uniform provisions, supplemented by a federal enabling law (Tydings-Miller Act). It is the feeling of all interested in the fair trade movement that these particular laws hold forth the greatest possible benefits for the distributive trades. They have been adjudicated constitutional by the United States Supreme Court, and are readily enforceable by conscientious application. They have been accepted by the consuming public as necessary, and as liberal, progressive business legislation. Many industries, because of the wide use of fair trade contracts pursuant to these laws, are relatively free of price-cutting tactics. In the tobacco industry the "loss-leader" has not been effectively curbed for fair trade contracts have not been adopted by a majority of the tobacco manufacturers. It is one of the hopes and aims of Retail Tobacco Dealers of America, Inc., to achieve for our trade the protection it deserves under these laws.

However, until this is accomplished we have need for interim legislation. This brings me to the subject matter of primary concern here. In order to obtain direct relief, without the need of outside (manufacturer) assistance, there has developed in many states that which is described as unfair sales acts. These acts are self-executing in the sense that unlike the resale price maintenance laws they contain provisions which in and of themselves prohibit ruinous price-cutting.

During the past few years twenty-six states have adopted this form of fair trade law, some under the nomenclature of Unfair Sales Act, others under the title Anti-Discrimination Act. For practical purposes I have adopted the more widely used description, namely unfair sales acts. In twenty-four of the twenty-six states referred to, the acts are of general application, whereas in two states, Louisiana and Michigan, they are specifically applicable to a single trade.

For whatever the reason may be, unfair sales acts have not developed in the uniform way that resale price maintenance laws have. The result is the provisions of these laws vary considerably from state to state. Hence, one is unable to particularize on these laws and must discuss them on broad grounds. Elsewhere in this book is a comprehensive and carefully planned chart which reveals each and every provision of these laws in all of the states that have thus far adopted them.

From the lay view, the unfair sales acts, now in effect, can be classified into two distinct types. They all prohibit sales below cost of any merchandise whether trade-marked or not, but differ in their definition of cost. It is in this respect that we can generalize their terms. One group patterned after the California act defines cost as invoice less trade discounts except customary discounts for cash plus the entire cost of doing business. The other type, sponsored by the National Food & Grocers Conference (composed of trade groups representing individual and chain grocers, also wholesalers and manufacturers), defines cost as invoice less trade discounts except customary discounts for cash plus a specified mark-up percentage; in the main 6% for the retailer and 2% for the wholesaler. All of these laws provide for civil (injunctive) relief against violators and also declare violations to be penal offenses.

The unfair sales acts have not, as yet, been tested in the United States Supreme Court but have been upheld in the highest courts of California, Kentucky, Montana, Tennessee and Wyoming, the appellate courts of Wisconsin and in lower state courts in Arizona and Colorado. A statutory three-judge Federal Court held the Minnesota statute (since amended) void in part, and lower courts in New Jersey and Pennsylvania and the Court of Appeals of Maryland have declared their unfair sales acts unconstitutional. All of the decisions above referred to involved tests of the civil provisions of the unfair sales acts. Recently, however, several lower courts have upheld the penal provisions of these statutes.

The decisions in New Jersey and Pennsylvania can be distinguished, for in those states the prohibitions against sales below cost are absolute—lacking the modification that they be made with intent to injure

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 AUGUST, 1940 *Prepared twice a month*

PHULOFAX

(The Retailer's Friend)

SAYS

"Any box of cigars purchased here is subject to exchange or cheerful cash refund. We guarantee satisfaction."

That's the way the sign reads in a progressive cigar store and since its use box cigar business has improved 62%.

—o—

Polite inquiry will ascertain when any of a retailer's customers is going away on vacation . . . then seize the chance to sell Him a box of cigars!

—o—

A customer likes to feel, Mr. Retailer, that you missed seeing Him. When He comes back from his vacation, give Him a cordial greeting . . . tell Him you're glad to see Him and hope He had a nice time.

—o—

Father's Day in 1941 falls on June 15th but Cigars by the Box can be sold TODAY!

—o—

B. C. T., a jobber, writes,—"At our annual picnic this year, all business discussions were barred . . . anyone caught talking business was fined 5c . . . we collected 15c for our Treasury."

Fine idea, says Phil.

—o—

Here's common sense procedure from a jobber,—"I checked sales of Father's Day Cigars by my customers and intend to give personal attention to such accounts that did remarkably well and endeavor to assist them to build cigars by the box business other than on special occasions like Father's Day."

—o—

"Luck is the factor that helped the other fellow to do that which you didn't try to do." F. F.

—o—

K. C. L. wants to know if a salesman "should refer to the Company for whom he works as 'My Company' or 'Our Company'."

Personally, Phil prefers "My Company" . . . somehow or other, it seems to Phil that "My Company" reflects a closer attachment to the Company and that the salesman feels a real part of the Company.

—o—

"In one of your Bayuk Bulletins, you had an Otto Noebetter article about Salesmanship being a Profession just like a Doctor or a Lawyer . . . May I have a copy of that particular issue?" so says T. R. K.

Sure, Tom, it is in the mail pronto.

—o—

EZ2BCFURACB

Phil Mr. Phulofax

D. B. I.

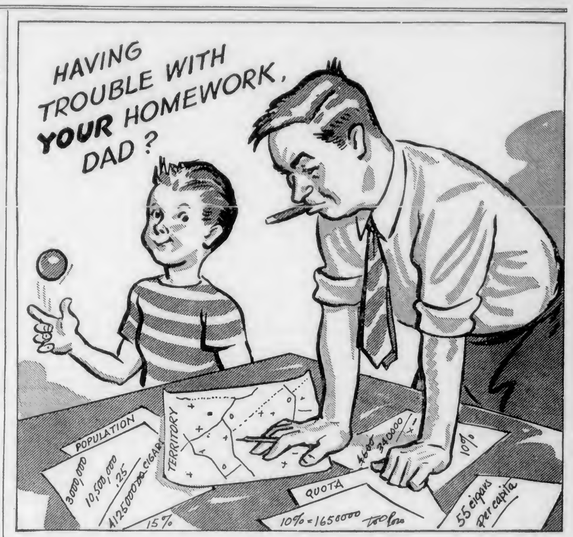
**Associated with BAYUK CIGARS INC., Philadelphia — Makers of fine cigars since 1897.*

Business — How Much?

by

Frank Trufax

The Frank Trufax letters, published in book form some years ago, attracted so many requests for copies that two editions were exhausted. In view of the continued demand, the editors have decided to republish the letters in the Bayuk Bulletin.



To My Salesmen:

"In a territory of, say, a million population, how many cigars are consumed annually?"

"All right, Teacher, the answer is 42,387,313 cigars. Ask me another."

Whope!—Don't get excited, boys. The question is an interesting and serious one but the answer as given is pure, unadulterated *bunk*.

Then, the question can't be answered? Oh, yes! But—it cannot be answered to the point of the exact number of cigars consumed and yet an answer can be given that will serve as a basis of determining *approximately* the possibilities of cigar sales in any territory.

Follow me through on this—if so many million people in the good old U. S. A. enjoy so many billions of cigars annually, the per capita consumption would be just so many and that "so many" works out in round figures to *about* 42 cigars per capita per year.

That is, in a territory of a million people, about 42,000,000 are smoked yearly. In a population of half a million, 21,000,000 cigars give ease and happiness to smokers during a year.

Now, boys, get me right. I'm not going to throw a lot of so-called inside info at you nor am I even attempting to give you other than closely estimated figures as founded on absolutely correct data furnished by the Government. All I offer is a method of figuring potential cigar sales in a territory based on the "law of averages" with facts as a foundation instead of just guessing.

Therefore, 42 cigars per capita, per year, is the round number to start your pencil working.

All right. Now, let's get down to cases.

Billy Keepatem, one of our boys, works five counties with a total population of 300,000. He says he gets "about 25% of the cigar business in his territory." About how many must he sell to hit the 25% mark?

Approximately 12,600,000 cigars are sold in his territory. To get 25% of this business, Billy would have to sell 3,150,000.

Billy does *not* "get 25% of the cigar business" in his territory and now he admits he doesn't.

But, do all territories afford equal consumption of cigars? Aren't some sections better than others? I'd say so and because of this situation, you can make proportionate allowances or additions to your estimated figures of potential sales. That is, if for good and valid reasons, Billy Keepatem would arrive at the conclusion that his territory is "10% poorer cigar territory" than some other section, then deduct 10% from the potential sales of 3,150,000.

What percentage of the cigar business in your territory do *you* think you are entitled to by reason of your brands, your house and because of your own ability? 10%? 15%? 25%? What percent?

Are you getting it? What's the use of guessing? What's to be gained by kidding ourselves? Let's find out.

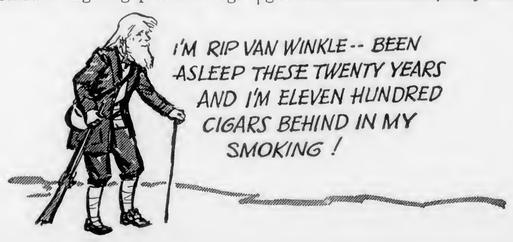
The procedure as outlined is not patented nor copyrighted—nor, by gad, does it give 100% accurate information *but*, I ask you, doesn't it give you a concrete and authentic basis of computing estimated sales possibilities? Isn't that better than arriving at a conclusion of what can and should be done by *mere guessing* with no facts to guide you?

The answer is "Yes."

Best regards, boys.

Yours, forandwithu,

Frank Trufax



Phillies
Bayuk Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

TUNE IN— *"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday and Sunday*

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HIGH GRADE CIGAR BOXES

GEORGIA SAW MILL — WOOD PLANING MILLS

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637-641 EAST 17 ST. NEW YORK

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS

Make tobacco mellow and smooth in character and impart a most palatable flavor

FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

competitors or to destroy competition. In all of the other states that have unfair sales acts the sales made below cost must be with intent to injure or destroy competition, before the sales are proscribed. The only unfavorable decision to-date, therefore, is the recent opinion of the Court of Appeals in Maryland. I hazard the prediction that the unfair sales acts will stand the test of time and eventually be upheld by the United States Supreme Court. In upholding the validity of the Montana Unfair Sales Act, the Court (Associated Merchants of Montana v. Ormesher,—1939—86 P. (2nd) 1031, 1034) quoted the following from the famous case, Nebbia v. New York:

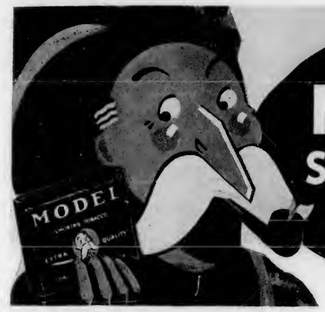
"The Supreme Court of the United States in Nebbia v. New York, 291 U. S. 502, 516, had this to say: 'But there can be no doubt that upon proper occasion and by appropriate measures the state may regulate a business in any of its aspects, including the prices to be charged for the products or commodities it sells. So far as the requirement of due process is concerned, and in the absence of other constitutional restriction, a state is free to adopt whatever economic policy may reasonably be deemed to promote public welfare, and to enforce that policy by legislation adapted to its purpose. The courts are without authority either to declare such policy, or, when it is declared by the legislature, to overrule it. If the laws passed are seen to have a reasonable relation to a proper legislative purpose, and are neither arbitrary nor discriminatory, the requirements of due process are satisfied, and judicial determination to that effect renders a court functus officio. "Whether the free operation of the normal laws of competition is a wise and wholesome rule for trade and commerce is an economic question which this court need not consider or determine" (Northern Securities Co. v. United States, 193 U. S. 197, 337-8). And it is equally clear that if the legislative policy be to curb unrestrained and harmful competition by measures which are not arbitrary or discriminatory it does not lie with the courts to determine that the rule is unwise. With the wisdom of the policy adopted, with the adequacy or practicability of the law enacted to forward it, the courts are both incompetent and unauthorized to deal.' "

There can be little argument with the assertion that the success of these laws turns on the definition of cost. The school of thought favoring the California type of law advocates the fairness of taking into consideration the entire cost of doing business, and the group favoring the percentage mark-up states that their definition of cost is superior because it is definite and precise. There is much to be said for both views, but more important one has to consider also the practical effects. Experience has shown that in the so-called 2 per cent. and 6 per cent. states, the tendency is for all wholesale and retail prices to gravitate to the 2 per cent. and 6 per cent. mark-ups respectively —that is the minimum becomes the maximum. I feel certain that no one can dispute this statement—the cost of doing business of few, if any, retail trades is 6 per cent. or less. I know that in the retail tobacco business the cost of doing business is considerably higher than 6 per cent. The owners of the super grocery chain markets who claim to be the most efficient retail distributors in the country, have publicly announced that their cost of doing business is 12.9 per cent.

Believing that the 2 per cent. and 6 per cent. unfair sales acts did not offer enough relief for the retail tobacco trade, as well as for the other distributive trades, we spent several months last year drafting an unfair sales act which we feel permits of more flexibility; is modest in its requirements and combines the best features of the two types thus far sponsored. Our Association interested the other important distributive groups and received their enthusiastic support with the result that our proposed unfair sales act was introduced in the New York State Legislature early this year (Senate Int. No. 200). The Legislature adjourned, failing to give it the consideration it deserved mainly because of political reasons, and so we have no reason to feel disheartened, on the contrary it appears to have interested the New York State Legislators much more than the 2 per cent. and 6 per cent. type they passed in 1939, but which was vetoed by Governor Lehman. It is our intention to urge this proposal, besides in New York, in all of the states that have not thus far adopted unfair sales acts and particularly in the industrial states of Illinois, New Jersey, Ohio and Pennsylvania, whose legislatures will convene in the near future.

Aside from the more studied phraseology and firmer enforcement provisions, our proposed unfair sales act is essentially a combination of the California and so-called 2 per cent. and 6 per cent. types. Naturally, our proposal prohibits sales below cost with the intent to injure or destroy competition. It is in defining cost that our proposal takes on a novel aspect. We define cost similarly as does the California Unfair Sales Act, that is, invoice less trade discounts except customary discounts for cash to which must be added the entire cost of doing business, and to assist in its enforcement we created two presumptions, the first of which presumes that unless a lower or higher cost is shown, the cost of doing business in the case of the wholesaler is presumed to be 2 per cent. and in the case of the retailer to be 6 per cent.; the second of which presumes that sales below cost are made with the intent to injure or destroy competition. It is with this definition of cost that our proposal takes on greater flexibility and does not "freeze" the mark-up for any particular industry, but rather permits any wholesale or retail trade by diligent effort and judicial assistance to elevate the mark-up to a percentage above 2 per cent. and 6 per cent. respectively. Furthermore, it provides for certain necessary exceptions, the most important of which permits sales made in good faith to meet the legal prices of a competitor. Thus, it follows that under our proposal the mark-up of the most efficient wholesaler or retailer in a particular trade will eventually determine the mark-up for that trade.

It is important to understand that there is no conflict between the unfair sales acts and the resale price maintenance acts. Neither attempts to fix prices, but both seek to stabilize trade conditions by prohibiting sales below a minimum—permitting, of course, sales above the minimum.



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It's Brighter - for the Eye
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SPECIFY SPRUCE

Uptegrove Lumber Co.

Cigar Box Lumber for 67 years

15 Washington St. Newark, N. J.

Established 1886

"BEST OF THE BEST"

OP'TIMO — VERY MILD — VERY MILD — CIGARS

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

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AUTOKRAFT

CIGAR BOXES

Boite Nature — Novelty
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Are Outstanding In Quality-Design-Cost

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Lima, Ohio — Hanover, Pa.
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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

YOCUM'S:—46,786. For cigars. Registered by Yocum Brothers, Reading, Pa., on July 13, 1940.

TRANSFERRED REGISTRATIONS

JOCKEY:—4966 (Registration Bureau of the Tobacco Leaf Publishing Co.). For cigars. Registered July 16, 1890, by L. C. Wagner & Co., New York, N. Y. Transferred on June 24, 1940, to W. J. Neff & Co., Red Lion, Pa., by Consolidated Litho. Corp., Brooklyn, N. Y., successors to L. C. Wagner & Co.

EL DALLO:—32,191 (Tobacco Leaf). For cigars, cigarettes and tobacco; and **104-659** (United States Patent Office), for tobacco. Registered on January 26, 1907, and June 8, 1915, respectively, by Wertheimer Bros., Baltimore, Md. Transferred to El Dallo Cigars, Inc., New York, N. Y., and re-transferred to Cuban Cigar Co., Denver, Colo., on June 18, 1940.

QUAKER PURE:—37,800 (United Registration Bureau for the Tobacco Industries), and **16,725** (United States Patent Office). For cigars, cigarettes, cheroots and tobacco. Registered October 14, 1912, and December 31, 1912, respectively, by T. H. Hart Co., Philadelphia, Pa. Transferred to A. Bazarte, Sr., Philadelphia, Pa., on July 5, 1940.

WINDSOR ARCADE:—22,746 (United States Tobacco Journal). For cigars, cigarettes and cheroots. Registered June 23, 1900, by Emil Steffens, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., who had acquired the brands of Steffens, Jones Co., successors to the registrants, to Progress Cigar Co., Philadelphia, Pa., on July 22, 1940.

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of April

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	4,277,764	+ 201,910	4.95
Twist	458,002	+ 32,495	7.64
Fine-cut Chewing	361,940	+ 36,977	11.38
Scrap Chewing	3,507,122	+ 483,711	16.00
Smoking	16,949,251	+ 1,904,374	12.66
Total	25,554,079	+ 2,659,467	11.62

Four Months Ending April 30

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	15,603,142	— 358,478	2.25
Twist	1,792,455	+ 5,233	0.29
Fine-cut Chewing	1,327,399	— 111,619	7.76
Scrap Chewing	13,858,118	+ 1,125,962	8.84
Smoking	64,036,964	+ 1,179,029	1.88
Total	96,618,078	+ 1,840,127	1.94

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

Internal Revenue Collections

Source of Revenue	June 1940	June 1939
Cigars	$ 1,053,896.41	$ 1,175,472.60
Cigarettes	52,696,445.21	49,786,121.00
Snuff	521,376.76	590,935.91
Tobacco, chewing and smoking	4,458,542.75	4,829,096.40
Cigarette papers and tubes	86,316.05	124,806.88
Leaf dealer penalties	614.37	253.89

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GEORGE H. HUMMEL, New York, N. Y. ..... Vice-President
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SAMUEL BLUMBERG ..... General Counsel
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LOUIS GROSSMAN ..... Treasurer
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JOSEPH FRIEDMAN ..... President
JACK EDELSTEIN ..... Treasurer
LEO RIEDERS, 3806 Broadway, New York, N. Y. ..... Secretary

MERRY MACS WITH CAMEL

The Merry Macs, favorite vocal quartet of radio's top programs, joined the Al Pearce Show, which the R. J. Reynolds Company presents each Friday over 101 CBS stations, on behalf of Camel Cigarettes and Prince Albert Smoking Tobacco. The Merry Macs have been heard for two years with Fred Allen—he'll be heard over CBS for the Texas Company this fall. Last summer they sang over CBS on the Lucky Strike "Hit Parade" and were heard previously on Columbia with Stoopnagle and Budd and Walter O'Keefe.

Three of the Merry Macs are brothers—Judd, Ted and Joe McMichael. The fourth is Helen Carroll, whom the brothers selected for the job from 300 applicants. The McMichaels are mid-westerners and graduates of the University of Minnesota. Helen, too, comes from the mid-west and got her degree from the University of Indiana.

LEWIS CANTOR

Lewis Cantor, of the Max Schwartz, Inc., buying staff, died July 14 of a heart attack in Havana. He was in his sixty-second year and had made regular visits to Cuba for thirty-five years. He had been with the Schwartz Company since 1923. His widow survives.

RECEIVED SEP 4 - 1940 U.S. Department of Agriculture

SEPTEMBER 1940

TOBACCO WORLD

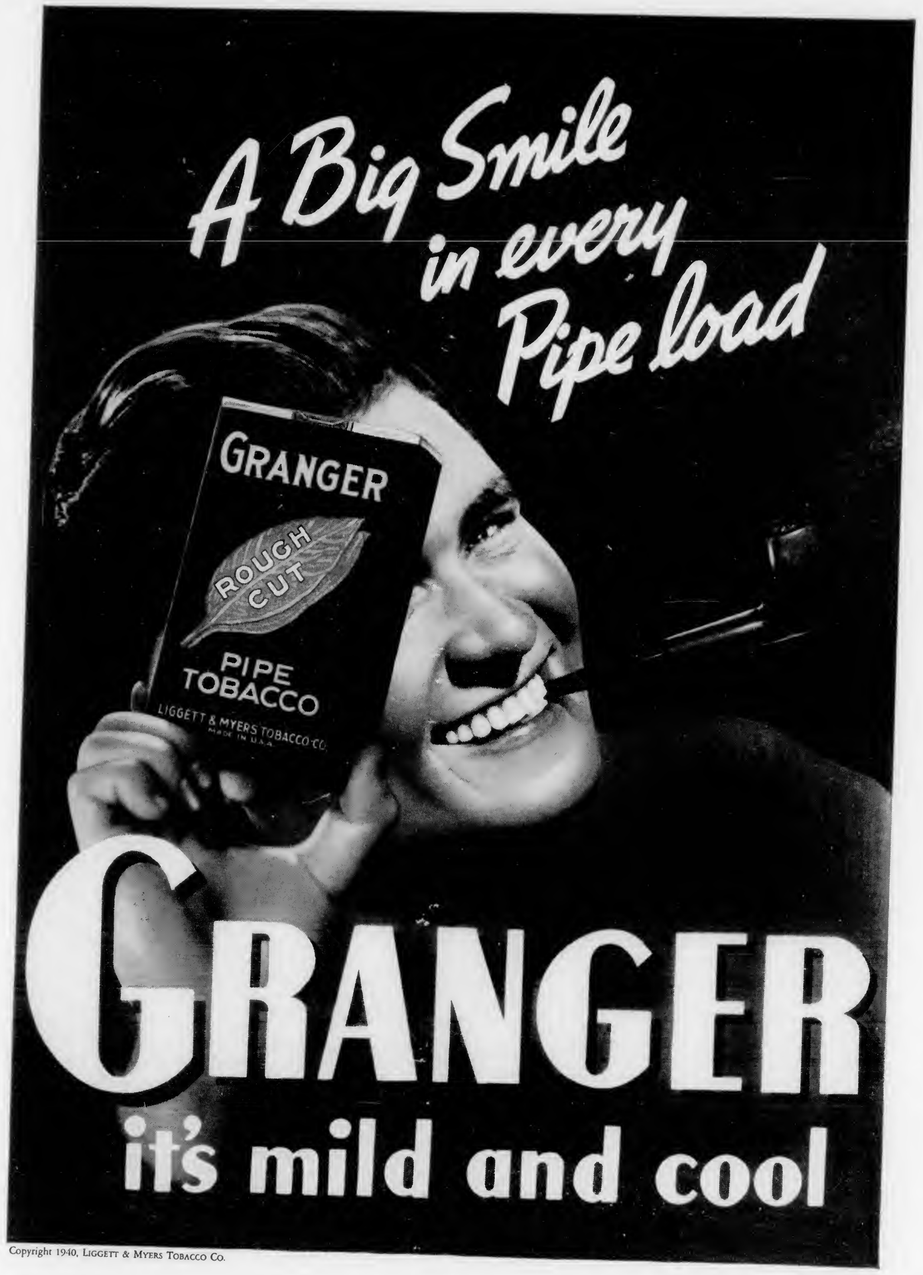
ESTABLISHED 1881

ADVERTISING'S PART IN CIGARETTE SALES

Advertising is in considerable measure responsible for the great increase in the number of cigarettes smoked in the United States and therefore for the increase in the importance of tobacco as a farm product and for the increase in the tobacco excise taxes collected by the Government.

In addition to the lower costs to the consumer resulting from increased volume, the farmer, the laborer and the Government have all gained enormously by the increased consumption of cigarettes that has followed from the intensive advertising efforts and expenditures of the manufacturers of cigarettes.

Harry R. Tosdal.



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Hobart B. Hankins—*Editor* *Business Manager*—B. S. Phillips

THE TOBACCO WORLD

Vol. 60 SEPTEMBER, 1940 No. 9

MEN sometimes go into unexplainable slumps. You see it in salesmanship just as in baseball. Some salesmen have a fear that they can't repeat success performance. They are constantly fighting the dread that they "can't do it again." They know they can, but, just the same, they have the fear of loss of skill. It's a baseless fear, as there are certain skills we never lose, and one of these is salesmanship. It is one of the unforgetable skills. You can't forget it or lose it. Every success of the past is a proof that you can succeed now and tomorrow. If you have ever succeeded, you can succeed again.

▲

SOME men worry so much about their sales performance that they just naturally throw themselves out of kilter. You know how it is in golf—"easy does it." The moment you tense up, you're lost. What a salesman needs is a light touch. A man learning to fly invariably holds the stick too tightly. He may even freeze onto the controls and crash. He is tense, nervous, fearful. It is the light, relaxed, confident touch that marks the master. Many salesmen have failed, peculiarly enough, because they tried too hard. The master salesman takes things in his stride. Good days. Bad days. Good business. Poor business. He does not fret or worry or fear. because he has faith in himself and in what he is selling.

▲

FROM the viewpoint of a successful sales manager, successful selling is not merely applied intelligence and perseverance. It is an emotional experience that derives from the driving force of a man's inner consciousness. This sales manager says, "Give me the heart of a man, and you may have his head. Give me the key to his emotions, and you may have his brains." The sales manager who can come close enough to his men to control their emotions—who can place human psychology above inhuman figures and yet arrive at a reasonable co-ordination of both, has the key to sales success.

▲

SALESMEN are not colored pins on gigantic wall maps. They are not street numbers and addresses a thousand miles away. They are human beings out in the commercial front line trenches of the nation, fighting the sales manager's battles as well as their own. To these men the sales manager is the company. He is their opportunity for salvation, their hope of progress, their fountain of inspiration. He is the clearing agent at headquarters for all the simply human faults, trials and tribulations of the salesmen in the field. A good sales manager backs up his men on any and all occasions. He feels that if a man works for him and works hard, he is entitled to absolute loyalty and support on any and all occasions. If a salesman doesn't deserve this loyalty, then he doesn't deserve to work. Give a good sales manager the heart of a man, for it is there that the vital urge, the grand spark, the continuing desire to achieve, resides.

▲

IF you think we overplay selling in these monthly outpourings of ours, please understand that we think of life, as all business men must, as a constant series of sales, and so we like to pass along the thoughts that come to us, in the hope that their application may help towards the greater sales of cigars, cigarettes, chewing and smoking tobacco, pipes and other smoking requisites, wholesale and retail.

▲

ON this subject of selling, you remember Elmer Wheeler. He's the fellow who said, "Don't sell the steak—sell the sizzle." There is something in his idea of dramatizing sales, and of studying and creating sure-fire, response-getting sales expressions. Wheeler says, "You just can't pull magic words out of a hat and make 'em work. But you can apply certain basic principles to words and produce word magic that performs with mathematical precision. Buried in everything for sale is a 'sizzle'—that something that sells it to other people. To convey these 'sizzles' most effectively should be the aim of every salesman."

▲

LET'S take a few of Wheeler's "sizzles." A moving concern helped to boom its business by having its men say to the housewife, "We'll just wash our hands before we touch your furniture." Wine sales at Statler hotels increased when, instead of approaching a guest with "What'll you have to drink?" the waiter was trained to say, "Do you prefer a red or white wine with your dinner, sir?" At Macy's this sentence was tried in selling dog food: "It will make your dog bark for more." Customers said their dogs barked too much already, so the sales idea was changed successfully to: "It will make your dog's tail wag for more." What are the sizzles in the products you are selling? Find 'em out, and use 'em!

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July Big Month for Tobacco Industry

Plus Signs Decorate Every Principal Classification of Products, with the Single Exception of Large Cigarettes

THAT July was a good month for the tobacco industry is evidenced by the plus signs that decorate every main classification of tobacco products, with the single exception of large cigarettes, in the month's withdrawals, as reported in the *Supplement to the Tobacco Barometer* of the Tobacco Merchants Association of the United States. The gains are almost exclusively among United States withdrawals, however, although they do not hold for a breakdown of cigars. There was an exclusive United States gain in cigars of all classes, but this was achieved without the help of Classes B, D and E.

United States cigars of all classes totaled 460,522,504, as compared with 427,533,137, an increase of 32,989,367, or 7.72 per cent. A Philippine Islands loss of 26.32 per cent. and a Puerto Rico loss of 27.09 per cent. reduced this gain to 6.24 per cent. on the total of 474,814,077, as compared with 446,932,934.

Class A cigars in the U. S. totaled 412,706,280, as compared with 382,645,615, an increase of 30,060,665, or 7.86 per cent. P. I. and P. R. losses reduced this to 6.20 per cent. on the total of 426,888,265, as compared with 401,971,530.

Class B cigars in the U. S. totaled 3,628,747, as compared with 3,662,650, a decline of 33,903, or 0.93 per cent., which was changed to a gain of 0.07 per cent. by P. I. and P. R. increases, bringing the total up to 3,680,954, as compared with 3,678,227.

Class C cigars in the U. S. totaled 41,478,896, as compared with 38,252,320, an increase of 3,226,576, or 8.43 per cent. A P. I. loss and a P. R. gain brought the total up to 41,529,212, as compared with 38,296,550, for a net increase of 3,232,662, or 8.44 per cent.

Class D cigars in the U. S. totaled 2,457,590, as compared with 2,714,781, a drop of 257,191, or 9.47 per cent. A more than halving of the P. I. withdrawals caused this to grow to 9.72 per cent.

Class E cigars in the U. S. totaled 250,991, as compared with 257,771, a loss of 6780, or 2.63 per cent. The 1000 P. I. withdrawals against none last year only served to reduce the loss to 2.24 per cent.

Cigarettes in the U. S. totaled 15,912,640,803, as compared with 14,259,801,810, an increase of 1,652,838,993, or 11.59 per cent.

Little cigars increased 1,013,053, or 8.22 per cent.; snuff, 520,204 pounds, or 20.23 per cent.; chewing and smoking tobacco, 2,566,491 pounds, or 10.84 per cent. Large cigarettes declined 144,138, or 50.28 per cent.

Following are the comparative figures:

Product	July, 1940	Increase or Decrease Quantity	Per Cent.
Cigars:			
Class A—			
United States	412,706,280	+ 30,060,665	7.86
Philippine Islands	14,066,935	— 5,044,730	26.40
Puerto Rico	115,050	— 99,200	.....
Total	426,888,265	+ 24,916,735	6.20
Class B—			
United States	3,628,747	— 33,903	0.93
Philippine Islands	12,707	+ 11,130	.....
Puerto Rico	39,500	+ 25,500	.....
Total	3,680,954	+ 2,727	0.07
Class C—			
United States	41,478,896	+ 3,226,576	8.43
Philippine Islands	26,166	— 1,214	.....
Puerto Rico	24,150	+ 7,300	.....
Total	41,529,212	+ 3,232,662	8.44
Class D—			
United States	2,457,590	— 257,191	9.47
Philippine Islands	6,065	— 8,010	.....
Puerto Rico	.....	.....	.....
Total	2,463,655	— 265,201	9.72
Class E—			
United States	250,991	— 6,780	2.63
Philippine Islands	1,000	+ 1,000	.....
Puerto Rico	.....	.....	.....
Total	251,991	— 5,780	2.24
Total All Classes:			
United States	460,522,504	+ 32,989,367	7.72
Philippine Islands	14,112,873	— 5,041,824	26.32
Puerto Rico	178,700	— 66,400	27.09
Grand Total	474,814,077	+ 27,881,143	6.24
Little Cigars:			
United States	13,343,613	+ 1,013,053	8.22
Philippine Islands	.....	.....	.....
Puerto Rico	.....	.....	.....
Total	13,343,613	+ 1,013,053	8.22
Cigarettes:			
United States	15,912,640,803	+ 1,652,838,993	11.59
Philippine Islands	62,520	— 22,820	.....
Puerto Rico	30,160	— 542,840	.....
Total	15,912,733,483	+ 1,652,273,333	11.59
Large Cigarettes:			
United States	142,550	— 144,138	50.28
Philippine Islands	300	+ 300	.....
Puerto Rico	5,000	— 14,600	.....
Total	147,850	— 158,438	51.73
Snuff (lbs.):			
All United States	3,091,422	+ 520,204	20.23
Tobacco (Chewing and Smoking) lbs.:			
United States	26,241,167	+ 2,566,491	10.84
Philippine Islands	.....	— 6	.....
Total	26,241,167	+ 2,566,485	10.84

Small Gains Mark First Seven Months

Cigars, Cigarettes, Snuff, Chewing and Smoking Tobacco Share in the Increases in withdrawals in 1940

THE gains are not great, but they are gains, nevertheless, in all classifications of tobacco products except little cigars and large cigarettes, in the report of seven months' withdrawals for consumption, which comprises the latest Supplement to the *Tobacco Barometer* issued by the Tobacco Merchants Association of the United States. Cigarettes show up with the highest percentage of gain, followed by snuff, chewing and smoking tobacco, and cigars, in that order. Large cigarettes and little cigars were almost even Stephen in their heavy declines.

All classes of cigars in the U. S. totaled 2,951,405,292, as compared with 2,936,190, an increase of 15,214,854, or 0.52 per cent. A P. I. gain of 17,376,119, or 16.46 per cent., and a P. R. loss of 84,840, or 10.63 per cent., accounted for a change in the rate of increase to 1.07 per cent. on the grand total of 3,075,036, as compared with 3,042,530,629.

Class A cigars in the U. S. totaled 2,668,447,640, as compared with 2,659,102,365, an increase of 9,345,275, or 0.35 per cent. P. I. withdrawals totaled 122,601,700, as compared with 105,278,275, an increase of 17,323,425, or 16.45 per cent. Deducting the P. R. loss of 184,840, the net gain was 0.96 per cent.

Class B cigars in the U. S. totaled 21,679,998, as compared with 21,987,559, a decline of 307,561, or 1.40 per cent. A P. I. gain of 30,167, and a P. R. gain of 38,200, reduced the loss to 1.08 per cent.

Class C cigars in the U. S. totaled 243,062,812, as compared with 236,696,502, an increase of 6,366,310, or 2.69 per cent. P. I. withdrawals declined 40,302, and P. R. withdrawals grew to the tune of 62,300, the net result being a change of one digit in the rate of increase to 2.70 per cent.

Class D cigars In the U. S. totaled 16,659,502, as compared with 16,750,940, a drop of 91,438, or 0.55 per cent. P. I. lost 26,050, and P. R. lost 500, the total loss being 0.70 per cent.

Class E cigars in the U. S. totaled 1,555,340, as compared with 1,653,072, a loss of 97,732, or 5.91 per cent. The tremendous growth of Philippine withdrawals, from 13,671 to 102,550, reduced this loss to 0.53 per cent.

Cigarettes in the U. S. totaled 105,322,927,442, as compared with 98,457,071,313, an increase of 6,865,856,129, or 6.97 per cent.

Snuff gained 272,626 pounds, or 1.23 per cent.; tobacco, 1,860,846 pounds, or 1.08 per cent. Little cigars lost 26.48 per cent., large cigarettes, 27.09 per cent.

Following are the comparative figures:

Product	1st 7 Mos. Cal. Yr. 1940	Increase or Decrease Quantity	Per Cent.
Cigars:			
Class A—			
United States	2,668,447,640	+ 9,345,275	0.35
Philippine Islands	122,601,700	+ 17,323,425	16.45
Puerto Rico	368,150	— 184,840	.....
Total	2,791,417,490	+ 26,483,860	0.96
Class B—			
United States	21,679,998	— 307,561	1.40
Philippine Islands	48,997	+ 30,167	.....
Puerto Rico	150,200	+ 38,200	.....
Total	21,879,195	— 239,194	1.08
Class C—			
United States	243,062,812	+ 6,366,310	2.69
Philippine Islands	132,332	— 40,302	.....
Puerto Rico	195,050	+ 62,300	.....
Total	243,390,194	+ 6,388,308	2.70
Class D—			
United States	16,659,502	— 91,438	0.55
Philippine Islands	32,491	— 26,050	.....
Puerto Rico	.....	— 500	.....
Total	16,691,993	— 117,988	0.70
Class E—			
United States	1,555,340	— 97,732	5.91
Philippine Islands	102,550	+ 88,879	.....
Puerto Rico	.....	.....	.....
Total	1,657,890	— 8,853	0.53
Total All Classes—			
United States	2,951,405,292	+ 15,214,854	0.52
Philippine Islands	122,918,070	+ 17,376,119	16.46
Puerto Rico	713,400	— 84,840	10.63
Grand Total	3,075,036,762	+ 32,506,133	1.07
Little Cigars—			
United States	72,214,796	— 26,015,964	26.48
Philippine Islands	.....	.....	.....
Puerto Rico	.....	.....	.....
Total	72,214,796	— 26,015,964	26.48
Cigarettes—			
United States	105,322,927,442	+ 6,865,856,129	6.97
Philippine Islands	191,170	— 470,297	.....
Puerto Rico	1,896,140	— 1,711,690	.....
Total	105,325,014,752	+ 6,863,674,142	6.97
Large Cigarettes—			
United States	1,026,912	— 403,964	28.23
Philippine Islands	3,275	+ 3,154	.....
Puerto Rico	85,800	— 13,900	.....
Total	1,115,987	— 414,710	27.09
Snuff (lbs.):			
All United States	22,416,549	+ 272,626	1.23
Tobacco (Chewing and Smoking) lbs.:			
United States	174,128,888	+ 1,861,363	1.08
Philippine Islands	47	— 517	.....
Total	174,128,935	+ 1,860,846	1.08

British Cigarettes Taxed 20 Cents a Pack

ANOTHER increase in import duties on tobacco products by the United Kingdom makes the tax on a package of twenty cigarettes about twenty cents as compared to a tax of 6.5 cents in the United States, the Office of Foreign Agricultural Relations reported in its weekly publication, Foreign Crops and Markets.. The increase, which took effect near the end of July, is the fourth since April, 1939. It brings the duty on United States leaf to about $3.93 a pound at the official rate of exchange.

A second article on tobacco reports the consumption of United States leaf and cigarettes in Peru in 1939 nearly double that of 1937.

Although imports of leaf tobacco and tobacco products into Peru have increased in the last three years, they still are below 500,000 pounds annually. Exports have been insignificant. In 1939 they were limited to a few hundred pounds of cigarettes to Japan.

Leaf tobaccos from Cuba and the United States account for most of the imports. They totaled 340,000 pounds in 1939 and 218,000 pounds in 1937. Cigarettes imported from the United States, Cuba and the United Kingdom totaled 115,000 pounds in 1939, compared with 55,000 in 1937. Use of United States leaf, largely flue cured, increased from 33,000 pounds in 1937 to 55,000 pounds in 1939.

Production and consumption of all tobacco products in Peru, handled by the country's tobacco monopoly, was higher in 1939 than for the two previous years. Leaf used by the monopoly in 1939 totaled 2.3 million pounds as against 1.7 million in 1938 and two million pounds in 1937. Cigarettes are the principal manufactured product—857 million in 1939, 646 million in 1938 and 767 million in 1937.

Increases are attributed to improvement in quality of domestic products, improved transportation to provincial districts, a better selling organization, and the curtailing of smuggling, according to report from the American embassy at Lima.

This year it is expected that sales of tobacco products will be at least 5 per cent. greater than in 1939. Sales were up during the period January to June, although the general economic condition of the country was somewhat unsatisfactory because of war's curtailment of exports to Europe.

Most of the increase in domestic purchases have been of tobacco grown east of the Andes. In this area prices to growers have been better because of improved shipping facilities. In past years tobacco from this area reached the Lima market in roundabout ways—via the Amazon River, the United Kingdom or United States ports. In recent years much of it has been taken across the Andes by plane, and then to Lima by highway trucks.

Foreign Crops and Markets also reports continued high production and consumption of tobacco in Mexico. A 1940 crop of 44.1 million pounds is indicated, compared with the record crop of 1939, now set officially at 46.8 million pounds, and the average 1934-38 crop of thirty-four million. Stocks of old leaf on hand are reported above normal, and the prospective supply of old and new leaf is believed ample to meet manufacturing requirements. Combined sales of all tobacco products for the April-June period of this year are reported 5 to 8 per cent. above those for the same months of 1939. The increase was almost entirely in cigarettes.

In Greece, the 1940 tobacco crop is set tentatively at seventy million pounds, the smallest crop since 1922, with the exception of 1932. During the last five years the average crop has been 130 million pounds. The expected small crop results from government reduction of acreage by 20 per cent. and adverse weather at setting time. Reductions are greatest in Macedonia and Thrace, the districts from which the United States buys most of its leaf.

From Greece, also, it is reported that tobacco will be exchanged for Slovakian cellulose, newsprint and wood. In the dismemberment of the Czechoslovakian state, most of the tobacco area was lost to Hungary.

1941 TAMPA CIGAR SHOW

The 1941 Cigar Show of the Tampa Cigar Industry will be based on the historic early Colonial Settlement at Jamestown, Virginia, according to Chairman Glen Evins, of the Fair Committee. The committee, including Jose P. Perez, of the firm of Marcelino Perez & Co., and Mrs. Dorothy A. Goddard, chief designer for the Cigar Show, approved sketches presented by Mrs. Goddard and work is already under way.

The entire building containing over 10,000 square feet of space will be converted into a replica of the early Jamestown settlement with the outer walls consisting of a rough hewn log stockade. The interior of the stockade will consist of a number of smaller log built houses which will contain the exhibits of the various allied lines directly connected with the cigar industry, such as lithographers, cellophane, bands, labels, gums, machinery, fiber containers, transportation, etc.

Each corner of the stockade will show some historic event in the life of the early settlers and their Indian allies.

In the center of the stockade will be built a replica of an early church with the windows containing the displays of the Tampa Cigar Manufacturers.

Adjoining the stockade will be the exhibits of the Cuban Tobacco Growers as well as that of the Connecticut Shade Valley Growers Association of Hartford, Conn. The radio station, the two cigar factories wherein cigars will again be produced both by hand and machine as well as sundry displays will follow the same theme.

An associate designer is now at work on sketches for costumes of the attendants, who will be dressed in early American costumes and a number of attendants will be dressed as Indians of that time.

Two special costumes are being designed to represent Chief Massasoit and his daughter Pocahontas. Permission has been requested of the Internal Revenue Department at Washington to allow these costumes to be made entirely of cigars. If this is granted over 20,000 cigars will be especially made to be used in these costumes.

The show will take place in Tampa in conjunction with the Florida Fair and Gasparilla Carnival from February 4th to 15th, 1941.

Tobacco Trade with Latin America

By J. Barnard Gibbs

Tobacco Specialist

THE development of economic co-operation in the Americas carries with it, as one of its essential features, an increase in the exchange of non-competitive products between the United States and the Latin American republics. Among the products that figure in inter-American trade, tobacco occupies a peculiar position, being neither wholly competitive nor wholly non-competitive. Both Latin America as a whole and the United States have large export surpluses and to some extent compete in sales abroad. At the same time, the differences in types of leaf grown in the respective areas have left room for a moderate inter-American trade. The United States surplus, which has averaged about 450 million pounds during the past few years, has been largely of flue-cured and fire-cured types, whereas the surplus from the Latin-American countries, which has been about 125 million pounds annually, has been primarily of cigar and heavy dark air-cured types. The present unsettled world conditions have made it increasingly difficult to move these surpluses to their normal foreign markets and have intensified the importance of an increase in trade between the Americas. The backing up of surpluses in these areas, however, has made an increase difficult.

During the past five years the Latin American countries have been an outlet for about 4.5 million pounds annually of United States leaf, largely flue-cured and fire-cured types, and about 3.5 million pounds of tobacco products, chiefly cigarettes and smoking tobacco. On the other side of the ledger, the United States has taken about 14.4 million pounds of Latin-American leaf, largely Cuban cigar tobacco; and about 0.1 million pounds of products, mostly Cuban cigars. The trade in both directions has declined during the past several years, and present trends and existing obstacles indicate an even greater decline, especially as regards United States exports to the southern countries.

Most of the Latin American countries have high duties on leaf and tobacco products, and high internal taxes. In some instances the import duty represents several times the value of the leaf or product, and in some of the countries the rates are higher on leaf and products originating in the United States than on those from neighboring Latin countries. Internal taxes on tobacco products are in some cases higher on products made from imported leaf than on those made from domestic tobacco. These high charges on foreign tobacco tend to restrict consumption to domestic leaf, and have encouraged the home production of United States types of tobacco required in the manufacture of certain products. The output of United States types is still limited and does not meet total requirements. If, however, expansion in production follows the trend that has occurred in most other areas that have taken up the production of United States types, the output may soon displace most of the relatively small imports from the United States, and in time may be sufficient to enable a substantial export.

Low incomes of most of the population, which is estimated at about 126 million persons, tend to restrict consumption to the cheaper products made exclusively from domestic leaf. It is estimated that for the whole of Latin America, only about 10 to 15 per cent. of the population have sufficient income to enable them to use the higher-priced products containing United States leaf.

Present conditions are not favorable to a substantial increase in United States imports of existing types of Latin-American tobacco. It is believed, however, that the imports will not continue to decline as in the past several years and may show a slight increase. Most of the import has been Cuban cigar leaf, and the decline has resulted largely from a lower level of cigar consumption. There has been a slight upturn, however, in cigar consumption in the United States in recent years, and if it continues it might result in larger takings of Cuban leaf.

Mexico and Central America

The production of tobacco in Mexico, the six Central American republics, and British Honduras during the past five years is estimated to have been about 55 million pounds annually, and consumption near this amount. Exports, imports, and intershipment of leaf in the area have been small; the total of shipments leaving the eight individual countries has been about 2.1 million pounds annually and total receipts about 1.7 million pounds. Part of this movement is intershipment between the countries, and it is estimated that for the area as a whole a total of about 1.5 million pounds of leaf is exported to points outside of Mexico and Central America and about 1.1 million pounds imported. There has been no material change in the export volume, but imports have declined substantially. Imports of leaf from the United States during the past five years, as indicated by shipments from this country, have averaged less than 0.7 million pounds annually as compared with about 1.8 million pounds during the 1920's. Until 1931, most of the import of United States leaf was of the Kentucky-Tennessee fire-cured type, but in recent years the proportion of this type has dropped to about one-fourth of the total. Imports of United States flue-cured leaf have increased both in volume and proportion and now represent about one-third of the total. The remaining one-third is largely of the burley type.

Exports of tobacco products by Mexico and the Central American countries have been relatively insignificant, and imports have been small. Most of the import, or about 0.9 million pounds annually, has been from the United States. Cigarettes account for a large part of the total, followed by chewing tobacco, cigars, and smoking tobacco in order of their importance.

There never have been significant imports of either leaf or products into the United States from Mexico and Central America, and for recent years they have been practically nil.

Approximately 70 per cent. of the total domestic production of tobacco in Mexico and Central America is in Mexico, where the annual output during the past five years has been about 37.5 million pounds. Honduras, for which latest available estimates indicate a

(Continued on Page 12)

Hill Answers Industry's Critics

GEORGE WASHINGTON HILL, president of the American Tobacco Company, has sent to stockholders a statement commenting on the attack on the tobacco industry by the Department of Justice. It was a 72-page analysis of the company, the consumer, the farmer, the employee, the tobacco trade, its competitors, the Government, and the stockholder.

Federal Trade Commission's agricultural income inquiry, published in 1937, the company states, sought to discover the existence of any devices used to obtain and maintain monopoly, illegal marketing practices, illegal combinations or price-fixing activities in the handling or processing of the principal farm products, special study being given to tobacco and potatoes.

"In view of the background and avowed purpose of the investigation," it is stated in the company's analysis, "it is at least significant that it was apparently thought necessary by the authors of the study to include so much of a favorable nature about the tobacco industry and its service to the public.

"Notwithstanding the fact that the report bears unmistakable evidence of hostility toward the manufacturers of the popular brands (of cigarettes), the facts found by the Commission in its investigation required it to make the following statement:

" 'The companies concerned have consistently denied that they ever exchange information regarding prices or contemplated price changes or arrive at any understandings concerning them. The circumstances stated suggest that there are advance understandings but there is no evidence to support a conclusion contrary to the representations by the manufacturers. Their statements, which are supported by documentary evidence, show that it is entirely possible for the price changes to be accomplished almost simultaneously without any previous understandings.'

"Competition," the company states, "has grown in importance and intensity with the passing years." It points out that the growth of new competing companies, and the sales of the so-called ten-cent cigarettes, Philip Morris cigarettes, Raleigh cigarettes, and several brands of extra-long cigarettes give the best practical evidence that the cigarette industry offers a fair competitive field and no favors for anyone.

Concerning the purchase of tobacco, the company states: "The prime factor in the American Tobacco Company's buying on the markets is the quality of the various grades of tobacco. In order to get quality, the prices paid by the company for the tobacco it buys are well above the average of the crop. The company has consistently paid the farmer higher-than-average prices for the tobacco it uses."

Referring to farmer benefits from the enormous growth in the cigarette industry, the company's analysis shows how the increase in the consumption of cigarettes has created a greatly expanded market for the farmers of the United States who grow cigarette types of tobacco, and that approximately 500,000 additional acres of land have been put into tobacco since 1890 as a result of the increase in the domestic use of cigarettes.

Modern cigarette making and the resulting price benefits to the consumer, it is pointed out, began with the introduction of the cigarette making machine about 1883. Statistics cited in the company's analysis show that in 1882, the last year before the introduction of successful machine manufacture, the consumption of cigarettes in the United States was only 554,000,000; that domestic cigarettes generally sold in packages of ten and the average retail price was ten cents for ten cigarettes, which would be at the rate of twenty cents for twenty cigarettes as now generally packaged. The Internal Revenue tax was at the rate of $1.75 per thousand.

As of June 30, 1940, the yearly consumption of cigarettes had risen to the astonishing figure of 177,600,000,000 cigarettes, and the Federal tax had increased to $3 per thousand (since increased to $3.25 per thousand).

Analysis states: "There has been an enormous increase in the annual collections by the Federal Government through its tax on cigarettes. For the fiscal year ended June 30, 1883, the government collected only $929,975, while in the year ended June 30, 1940, the government collected an internal revenue tax of $533,042,544 on cigarettes.

"Notwithstanding this tremendous increase in the Federal tax on cigarettes, the cost of cigarettes to the public has been reduced in substantial measure. The last available data supplied by the Retail Price Division, Bureau of Labor Statistics, United States Department of Labor, show that in June, 1940, the average retail price per package of twenty cigarettes was 14.3 cents (including the then Federal tax of six cents and recently enacted state taxes of varying amounts)."

Government, it is stated, obtains more revenue from the tobacco industry than from any other single industry except the liquor industry. From the standpoint of profits, the Government is the principal financial beneficiary of the tobacco industry.

Referring specifically to the American Tobacco Company, it is stated that at the end of the year 1939, the company having made all the investment, having done all of the management, having taken all of the risk, having done all of the promotional work—the Government of the United States received a return from the business of $137,873,860 and the company received a return of $26,427,934.

Concerning employment, the analysis cites data to show that the American Tobacco Company last year provided jobs for 27 per cent. more people (at higher wages and salaries) than it did in 1929, and that government figures show that employment in the cigarette industry as a whole increased 21 per cent. between 1927 and 1937 and today is near its all-time high record.

Referring to advertising, the analysis states:

"That advertising is an essential part of the modern competitive system is generally recognized both by those who favor private enterprise and by those who are anxious to bring about the acceptance of new economic theories. Frequently attacks upon the institution of advertising are attacks upon the American system of business. This was brought out clearly in a recent article entitled 'The Advertising and Selling Process,' by Harry R. Tosdal, Professor of Marketing at Harvard University Graduate School of Business Administration, who prefaced his remarks by saying:

" 'Critics often in attacking business are not attacking business as such, but are attacking private property or the competitive economy or the capitalistic system. Obviously, if one's economic philosophy includes allotment by government authority to consumers upon bases to be determined by that authority, certain business processes, among them advertising and selling, appear unnecessary and even undesirable.' "

CRIME DOCTOR FOR PHILIP MORRIS

"Crime Doctor," a new series of Columbia Network dramas by Max Marcin, presented by the Philip Morris Company, Ltd., made its debut Sunday, August 4. The new series, heard on behalf of Philip Morris cigarettes over sixty-two CBS stations, replaces the Philip Morris "Musical Game."

Stepping entirely out of the character of the usual "crime" story, Marcin's dramatized accounts present a penology problem involving the man who has committed a crime, been caught and placed in the custody of correctional institutions. CBS audiences "sit in" on a coast-to-coast jury which joins a fictional examining committee in determining whether the prisoner should be released after serving "the minimum"; whether he should be compelled to do his full time, or whether other rehabilitation measures should be taken.

Amateur penologists therefore have an opportunity to weigh all the evidence, which is presented in the form of dramatized flashbacks. They learn about the crime, background of the criminal and all the facts available in real life to a similar prison board of examiners in a similar situation.

Weekly cash awards totaling $200 are given for the best listener-letters giving opinions on the hypothetical prison inmate's appeal for release after he has served his minimum sentence.

A $50 award goes to each of the two listeners who give the best pro or con judgments—based on analysis of the facts presented in each broadcast. Authors of the ten next best letters (all within 100 words) receive $10 each.

The fictional characters of the "examining committee" heard in each broadcast are Dr. Benjamin Ordway (Crime Doctor), professional man D. A. Miller and businessman Harold Sayers.

"Crime Doctor" is written by Max Marcin, renowned as an author or macabre tales for stage, screen and radio.

LICORICE ROOT EXPORTS

The licorice root export trade of Turkey showed an outstanding increase during the first four months of 1940, advancing to 7,044,730 kilograms, valued at 438,056 Turkish pounds, from 750,732 kilograms, valued at 53,299 Turkish pounds, in the same months of 1939.

SUMATRA WRAPPER CROP

It is reliably reported that the 1941 crop of Sumatra wrapper leaf tobacco, which will be planted in January and February 1941, will be curtailed by 15 to 20 per cent. However the cut will be made on acreage which ordinarily yields very little of the good-quality foot leaves sought by American purchasers. It is said that every effort will be made to produce as much tobacco as possible for American use, and in spite of a smaller crop, the types suitable for the American market should be as much as usual. Partial elimination of most European markets leaves the United States as the only large market still open. The Medan sales of the American types of the 1939 crop were considered highly successful, and while plans are being considered and several obstacles must be overcome, a means must be found to dispose of the 1940 "American" tobacco, for producing companies are dependent on the sale of this tobacco to raise the necessary capital to undertake the 1941 planting campaign.

There was once a dealer who carried every variety of cigar but Manilas. Then as a trial, he decided to sell Manila cigars. He was so surprised by the response of the public that ever since he sells and pushes Manilas.

Increase your sales, Mr. Dealer. Please the public by selling Manila cigars.

For particulars write to

THE PHILIPPINE TOBACCO COMPANY

2362 Massachussetts Avenue, N. W., Washington, D. C.

Loan Corporation to Stabilize Market

A Commodity Credit Corporation loan and purchase program on flue-cured tobacco, designed to stabilize the market for the 1940 crop, and to assist in the financing of tobacco for export to European countries now out of the market because of war, has been announced by the Department of Agriculture. The program will provide the flue-cured producers in the United States with an average price equal to or slightly above last year's price level which averaged about fifteen cents a pound. This plan is similar to that used after markets were reopened last year, when in order to maintain prices to producers, companies acting as agents for the Commodity Credit Corporation were authorized to buy tobacco for the British market.

The 1940 program is applicable not only to foreign controlled firms buying largely for Great Britain but also to tobacco companies of the United States who buy for export to countries whose purchases are now interrupted by the war in Europe. The foreign controlled companies are eligible only for the purchase phase of the program. American companies may either purchase the tobacco as agents for the Commodity Credit Corporation or buy the tobacco at the auctions, move it into storage, and then secure a loan from the corporation.

The purchases or loans by any company are limited to a maximum of 70 per cent. of the average purchases for shipments to the European markets by such company in the three years, 1936 to 1938. At the request of a company, however, purchases or loans may be made on tobacco in excess of the amounts specified if the company agrees to pay an increased amount of the handling costs, or if the Commodity Credit Corporation deems it necessary to maintain a uniform market, the maximum for any company may be increased without a change in the proportion of the handling costs borne by the company.

The authorization is for loans and purchases up to a maximum of 200 million pounds of tobacco. Early in July flue-cured production was estimated at 675 million pounds.

Auctions on the Georgia flue-cured crop will open tomorrow (August 8).

Each company obtaining a loan or making a purchase for the account of the Commodity Credit Corporation will be furnished a schedule of prices within a range of $2 per hundred which will be used in taking its purchases on the warehouse floors.

In the case of purchase agreements the company buying the tobacco furnishes at its own expense all services in excess of $1.75 per hundred pounds on redried weight of tobacco. In the case of loan agreements, the company handling the tobacco may obtain a loan equal to the cost of the tobacco plus $1.80 per hundred pounds redried weight to cover handling charges.

The companies purchasing tobacco for the account of the Commodity Credit Corporation will be given an option to purchase it from the corporation not later than July 1, 1942, at prices equal to the cost of the tobacco to the corporation plus all charges including interest. Likewise the loans will be due on July 1, 1942. The corporation reserves the right to cancel the purchase option or call the loans at an earlier date on payment to the company, for costs borne by it, of seventy-five cents per hundred pounds redried weight for unstemmed tobacco and $1 per hundred pounds for stemmed tobacco.

The plan, according to department officials, provides primarily for support of prices on those grades of tobacco normally exported to European markets and is designed to encourage continued exports of such tobacco.

Although stocks of United States flue-cured tobacco now on hand in Great Britain are sufficient for more than another year, it is expected that when stocks are depleted, purchases will be resumed.

Eighty-six per cent. of the producers of flue-cured tobacco voting in the referendum conducted by AAA on July 20 voted in favor of marketing quotas for the three-year period 1941-43 and marketings will be regulated for that period. Under a similar referendum in 1939 producers favored marketing quotas for this year. The quota set for 1940 is 650 million pounds.

In a review of the flue-cured tobacco situation accompanying the loan and purchase announcement, Secretary Wallace said:

"The market situation for the 1940 crop of flue-cured tobacco is serious, first because of absence from the market of buyers for the European trade, and second, because of the surplus of around 400 million pounds from the crop of 1,159,300,000 pounds produced in the year 1939 when marketing quotas were not in effect. Following the outbreak of the war in Europe last September the British buyers withdrew from the flue-cured tobacco markets and the markets were closed until a referendum was held in which farmers approved marketing quotas for the 1940 crop and a purchase and loan program was approved for the remainder of the 1939 crop. Five companies buying for the export trade entered into the purchase or loan agreements and under these agreements bought a total of 173,678,829 pounds of flue-cured tobacco. The estimated level of world consumption is about 775 million pounds and with quotas in effect for the four consecutive years, the present surplus should gradually be eliminated.

"The proposed purchases or loans will provide for the normal operation of the markets by making it possible for the British buyers and domestic buyers who purchase tobacco for export to Europe to acquire a portion of their usual purchases. The program provides for the use of, and will make available, the facilities of existing organizations which might otherwise be idle and which are essential to the efficient handlng of the crop."

RESTRICTS TOBACCO WITHDRAWALS

The Board of Trade in the United Kingdom has issued an order making clearances from bond of unmanufactured tobacco subject to license. The order became effective August 1, 1940. Licenses will be issued at roughly the current rate of clearance but subject to change as circumstances require. Tobacco manufacturers have agreed to restrict clearances from bond of tobacco by 10 per cent. during August and September. According to the trade, present supplies of tobacco are considered ample and the restriction is a long-range measure to conserve stocks.

● *Actual photograph—A fine lot of ripe, golden leaf for Luckies.*

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Authoritative tests reveal that Luckies' finer tobaccos contain less nicotine than any other leading brand!

Here's the natural result of buying finer, selected cigarette tobacco for Lucky Strike. The average nicotine content of Luckies, for over two years, has been 12% less than the average of the four other leading brands★—less than any one of them. This fact is proven by authoritative tests which have been confirmed from time to time by independent laboratories.

You see, each year we exhaustively analyze tobaccos before purchase. Thus our buyers can select the leaf that is ripe and mellow, yet mild and low in nicotine content—then buy it up.

The result—a cigarette of finer tobaccos—mild and mellow, with a naturally lower nicotine content. Have you tried a Lucky lately?

★ **NICOTINE CONTENT OF LEADING BRANDS.** From January 1938 through June 1940, Lucky Strike has had an average nicotine content of 2.01 parts per hundred—averaging 9.46% less nicotine content than Brand A; 20.55% less than Brand B; 15.55% less than Brand C; 4.74% less than Brand D.

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BROWN & WILLIAMSON RENEWS

The Brown & Williamson Tobacco Corporation renewed its Show Boat program for one year effective August 5, when the show moved to a fifty-three station NBC Red Network. Show Boat is heard Mondays from 9:30 to 10 P. M., EDST, and a new program, Renfro Valley Folks, is heard on the same day and time over a fifteen-station Southern Red Network. Show Boat will continue to be heard from Chicago in the interest of Avalon cigarettes. Renfro Valley Folks will be heard from station WLW in the interest of Big Ben smoking tobacco. The Russel M. Seeds Company is the agency handling both programs.

"STRIPES"—A NEW POUCH

"Stripes" is the attractive name of an attractive new tobacco pouch offered by the Blossom Mfg. Co., 79 Madison Avenue, New York City. It is copied after expensive English pouches, and the makers state that it is made of the same English-type oil silk "that just won't crack or dry out." It is described as the roomy, gusset style of foldover pouch that pipe smokers like for its convenience. The name comes from its strip design—regimentals, candy stripes, pencil stripes, plaids, in rich shades of red, green, Navy and tobacco brown. The new pouch is priced to retail at the twenty-five to thirty-five cent range.

TOBACCO TRADE WITH LATIN AMERICA

(Continued from page 7)

production of about 7 million pounds annually, is next in importance, and production in the remaining six countries is in each case reported to be less than 2 million pounds annually. A variety of types of leaf is produced, but dark air-cured types, including cigar leaf, predominate. United States types, and especially flue-cured and burley, are grown in Mexico and some of the other countries, but as yet the production is limited and is all used in domestic consumption.

The per capita consumption of tobacco of the entire population of Central America, estimated at about 26 million people, is low. It averages about 2.5 pounds annually, as compared with approximately 6.6 pounds in the United States. Low incomes of a large part of the population, combined with the abstinence from the use of tobacco on the part of most of the women, account for the low consumption.

South America

Tobacco production during the past five years in the ten South American republics and the three foreign possessions on the Continent is estimated at about 330 million pounds and consumption at about 260 million pounds annually. The total movement of leaf from the individual countries during recent years has been about 85 million pounds annually and receipts about 23 million pounds. Of these amounts, approximately 12 million pounds represent intershipment between the respective countries, which leaves an export for the area as a whole of about 73 million pounds, and an import of about 11 million pounds annually. As in Mexico and Central America, the volume of leaf exports has not changed materially, but imports have declined. Imports from the United States during the past five years have averaged about 2.2 million pounds annually as compared with approximately 3.6 million pounds during the 1920's. Prior to 1932 about three-fourths of the imports of United States leaf were of fire-cured types, but in recent years flue-cured leaf has accounted for about two-thirds of the total. Imports of burley have also increased.

A large share of tobacco products imported into South America comes from the United States, averaging for the past five years approximately 1.5 million pounds annually. Over half of this volume has been represented by cigarettes, and a substantial part has been smoking tobacco. Exports of products from the area have been small.

United States imports of leaf and tobacco products from South America have been limited to small quantities of leaf coming from the ports of Argentina and a few cigars from Brazil.

Approximately two-thirds of the leaf grown in South America, or about 210 million pounds annually, is produced in Brazil, which also exports about four-fifths of the tobacco leaving the Continent. Most of the remaining one-third of the production is in the countries of Argentina, Colombia, and Paraguay, of which the latter two are relatively important exporters. Argentina is the largest importer, taking about three-fourths of the total South American leaf import and two-thirds of the import from the United States. Uruguay, Brazil and the Guianas account for most of the remaining import from the United States.

Leaf grown in South America consists largely of dark air- and sun-cured types, including cigar leaf. Most of the United States types are grown in one or more of the South American countries, and their production, particularly that of flue-cured, has increased in recent years. The combined production of all of the United States types, however, still represents a small portion of total leaf grown. Available information indicates that the greatest expansion has been in Argentina, where in 1939-40 about 4500 acres, or approximately 9 per cent. of the total tobacco area, were of the United States types.

The per capita consumption of tobacco by the estimated 89 million persons in South America is somewhat higher than in Mexico and Central America and is estimated to average about 3.25 pounds annually. The higher rate is attributed to somewhat larger incomes.

West Indies

The production of tobacco during the past five years on the numerous islands of the West Indies, excluding Puerto Rico and the Virgin Islands, belonging to the United States, is estimated to have totaled about 65 million pounds annually, and consumption has averaged approximately 25 million pounds. About two-thirds of the annual total leaf export of approximately 40 million pounds has been from Cuba and most of the remainder from the Dominican Republic. Imports of leaf by the islands as a whole have averaged less than 2 million pounds annually, of which over two-thirds has been flue-cured leaf and the rehandled leaf classified as black fat, water-baler, or dark African from the United States. The volume of leaf imports has not changed materially in recent years, but exports have dropped sharply. Exports from Cuba, including trimmings and scrap, averaged only about 26 million

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Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATION

GONZALES LOPEZ:—40,403 (Tobacco Merchants Association of the U. S.). For cigars. Registered September 29, 1917 by Joseph Schnittke, New York, N. Y. Thru mesne transfers acquired by Domingo Medio, New York, N. Y., and re-transferred to A. Siegel & Sons, Inc., New York, N. Y., on August 21, 1940.

Internal Revenue Collections

July

Source of Revenue	1940	1939
Cigars	$ 1,111,640.00	$ 1,047,554.44
Cigarettes	52,767,308.18	42,781,762.22
Snuff	556,455.88	462,819.25
Tobacco, chewing and smoking	4,723,810.84	4,261,805.07
Cigarette papers and tubes	165,503.46	74,564.56
Leaf dealer penalties	95.00	67.09

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of May

Product	1940	Increase or Decrease Quantity	Per Cent
Plug	4,331,018	— 642,553	12.92
Twist	502,688	— 30,857	5.78
Fine-cut Chewing	511,564	+ 116,366	29.44
Scrap Chewing	3,539,123	+ 37,887	1.08
Smoking	18,004,434	+ 257,737	1.45
Total	26,888,827	— 261,420	0.96

Five Months Ending May 31

Product	1940	Increase or Decrease Quantity	Per Cent
Plug	19,934,160	— 1,001,031	4.78
Twist	2,295,143	— 25,624	1.10
Fine-cut Chewing	1,838,963	+ 4,747	0.26
Scrap Chewing	17,397,241	+ 1,163,849	7.17
Smoking	82,041,398	+ 1,436,766	1.78
Total	123,506,905	+ 1,578,707	1.29

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

pounds for the three years, 1936-1938, as compared with 45 million pounds during the period 1930-1932.

Imports of tobacco products into the West Indies, largely from the United States, have been relatively small. Total shipments from the United States to the islands during the past five years have averaged less than 1 million pounds annually, most of which were cigarettes. Exports of products from the islands, consisting largely of cigars from Cuba, have been relatively large but are declining. Exports of Cuban cigars dropped from an average of 52 million pieces during the three years 1930-1932 to 36 million during the period 1936-1938.

Much of the decline in exports of West Indies leaf and cigars has resulted from smaller takings by the United States. Imports of Cuban leaf by the United States declined from about 18 million pounds annually during the period 1930-1932 to less than 13 million pounds during the period 1936-1938. Imports of Cuban cigars declined even more drastically, or from 12.1 million to 2.8 million pieces.

Nearly three-fourths of the tobacco production of the West Indies is in Cuba, where the output during the past five years has averaged about 48.3 million pounds. Most of the remainder is in the Dominican Republic. Production of the other islands is in each case estimated at 1 million pounds or less. Almost the entire output is of cigar-type leaf.

The per capita consumption of tobacco by the estimated population of 11 million persons is approximated at 3 pounds annually. This is less than half the per capita consumption in the United States, but compares favorably with that of South America and exceeds the estimated per capita consumption of Mexico and Central America.

KOOLS AND VICEROY REDUCED

Brown & Williamson Tobacco Corporation announced a new price list on Kools and Viceroy cigarettes, effective August 12. Since the imposition of the new twenty-five-cent addition to the internal revenue tax, both brands had been selling at $7.15 per thousand. The new price of Kools is $6.53, and the new price of Viceroy is $6.85 per thousand, less usual discounts.

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CIGARETTES AND WORLD WAR II

A shortage of tobacco in Germany is indicated in a report to the Office of Foreign Agricultural Relations that the German Women-Students organization has requested its members to reduce smoking or give it up entirely for the duration of the war, to reserve for the army a larger proportion of the limited supplies available.

It is also reported that Germany has removed for the duration of the war the restriction against selling single cigarettes in stores which do not have the small packages containing 3 to 12 cigarettes. The report indicates a shortage either of cigarettes or of packaging material.

Plans are afoot in Great Britain to limit tobacco consumption and to stop all advertising of cigarettes as "pure Virginia." By far the greater part of all cigarettes sold in the United Kingdom have been of U. S. flue-cured leaf and advertised as "pure Virginia."

HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 OCTOBER, 1940 No. 10

TO demonstrate the sales promotion and management methods of successful tobacco distributors, a model tobacco distributing house will be operated as a major feature of the ninth annual convention of the National Association of Tobacco Distributors at the Palmer House, Chicago, January 15-18, 1941. The warehouse and stockroom will be outfitted with counters, show cases and shelves and will be stocked with all types of merchandise handled by representative distributors. It is easy for us to agree with Joseph Kolodny, executive secretary, that this will be one of the most important projects ever undertaken by the association. For the third successive year, Mayor Edward J. Kelly, of Chicago, has designated the period of the convention-exhibit as "Tobacco Week." The directors selected Chicago again as the scene of the annual convention because of its central location and the fine hospitality accorded the tobacco conventioneers in previous years.

▲

BECAUSE of the quickened tempo of industry and business, of which the national defense preparations constitute an important part, each month from now until the end of the year should stand on its own feet as a good tobacco month. But working for good business each month should not prevent the industry and trade from beginning right now to plan for the biggest Christmas volume ever. To keep you on your toes, it might be well for you to guard yourself against the Alibis of Alibi Ike, reprinted last month in the Phil M. Phulofax column of the Bayuk Bulletin: OCTOBER—Business not good . . . won't be good until folks start buying for Christmas. NOVEMBER—Everybody holding on to their money to buy Xmas gifts . . . looks like a lot of last minute buying. DECEMBER—Customers not buying Christmas gifts this year . . . afraid it's going to be a hard winter and holding on to their cash.

▲

IMAGINATION is an indispensable sales quality. Otherwise the job of a salesman would be the monotonous repetition of one call after another. To the imaginative salesman each call is freighted with possibilities. No two prospects are exactly alike and the variety of human beings encountered is a perpetual challenge. Just as a stone thrown into a pool produces ever-widening ripples, so the successful sales call sets in motion many future sales. "Always leave behind you pleasant memories" —that adage of Robert Louis Stevenson applies to salesmanship. Selling is calling, recalling, and recalling. You can't call and recall on a man who dislikes you. Customer goodwill is the stock in the bank of salesmanship.

KIPLING may have discovered a land "where there ain't no Ten Commandments," but, if so, you wouldn't know where to look for it. Even if you knew where to go, you wouldn't set sail for such a land. For, it seems to be a law that the smart boys who kick over the traces, who violate the rules of the game, who break the ancient commandments, are the losers in the end. It's the man who plays the game according to Hoyle who quietly accumulates the blue ribbons. This brass tacks philosophy applies to all human activities, and most certainly in the world of business. It holds good for the employee and the employer, for the salesman and the sales manager. It underlies all success in selling. The ten commandments that apply to a sales manager are embodied in the following "Musts": (1) See to it that my salesmen make a good income; (2) Pay fairly for work well done; (3) Supply good products to sell; (4) Supply sales tools to help in the selling, and the best of sales tools is advertising; (5) Build up my men to maximum sales performance; (6) Continue to sell salesmen on the company policies; (7) Establish complete confidence between the boys and myself; (8) Maintain fair dealing in all relations with salesmen; (9) Win voluntary service, instead of commanding obedience; (10) Tie up my destiny with that of my salesmen.

▲

PERHAPS it's time to talk a little about time. There's a lot of otherwise valuable selling time wasted by late morning starts, early quitting, succumbing to the fetish that people won't buy on rainy days or on Saturdays, aimless traveling, backtracking, too much social conversations with the trade, too much time out for lunch. An hour a day wasted by a $4000-a-year salesman means a loss in earnings of $498 a year. A misspent half hour once a day for a year means a money loss of $249 a year. A $4000 salesman's time is worth $13.33 a day, or 83 cents a half hour. Some companies have clocked their salesmen by automatic recorders installed in their cars, which have recorded morning starts, hours of driving, number and length of stops, quitting time. These concerns have been able to analyze the travel-time of their salesmen so as to reveal numerous opportunities to reduce waste time by better travel planning, better routing, earlier starting, later stopping, shorter lunch periods. Speeding and accidents are reduced through better planning of time expended. Salesmen speed up to make up waste time or to get through earlier. Sales progress depends on minutes. When you waste time, you lose money, and no good salesman wishes to do that. Wasted time is often not the result of deliberate intention. It is the result of habit incurred through thoughtlessness and lack of self-discipline in controlling this important factor.

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Tobacco in Doldrums in August

Minus Signs Dominated, the Only Plus Marks Being Earned by Class E Cigars, U. S. Cigars, Class D, and P. I., Class B

WITH almost a clean sweep of minus signs, August was a month of doldrums for business in all classifications of tobacco products, except for U. S. cigars in Class D, Class E cigars, and little cigars. The only other plus sign in the report of withdrawals for consumption in the Supplement to the *Tobacco Barometer* of the Tobacco Merchants Association of the United States is alongside Philippine Islands cigars in Class B.

All classes of cigars in the United States totaled 487,641,197, as compared with 500,807,236, a decrease of 987,519, or 9.43 per cent. P. I. withdrawals dropped 2,205,715, or 10.55 per cent., and Puerto Rico withdrawals 143,300, or 58.29 per cent. So the grand total was 506,439,212, as compared with 521,954,266, a decline of 15,515,054, or 2.97 per cent.

Largest decline in volume, but smallest in percentage, was that of U. S. cigars in Class A, the total of 445,784,965 comparing with 456,252,755 for a decrease of 10,467,790, or 2.29 per cent. P. I. and P. R. losses brought the total loss for Class A to 12,880,960, or 2.70 per cent.

Class B cigars in the U. S. totaled 2,803,623, as compared with 3,209,970, a decline of 406,347, or 12.66 per cent. As stated, there was a P. I. gain of 4765 cigars, which represented more than the total August, 1939, withdrawals in this class, but there was a heavy P. R. loss to counteract this, so that the total for the class was 6.47 per cent. below that of last year.

Class C cigars in the U. S. totaled 35,921,454, as compared with 38,369,248, a loss of 2,447,794, or 6.38 per cent. P. I. and P. R. losses increased the decrease to 2,484,254, or 6.47 per cent.

Class D cigars in the U. S. totaled 2,861,721, as compared with 2,768,928, an increase of 92,793, but this became a decrease of 52,117, or 1.77 per cent., when the P. I. and P. R. losses were deducted.

Class E cigars in the U. S. totaled 269,434, as compared with 206,335, a gain of 63,099, or 30.58 per cent., and the P. I. withdrawals totaled 250,110, as compared with 150, an increase of 249,960, so that the total jump in this class was 313,059, or more than 150 per cent.

Little cigars totaled 11,461,706, as compared with 10,474,187, an increase of 987,519, or 9.43 per cent.

Cigarettes in the U. S. totaled 15,839,874,477, as compared with 16,571,041,957, a drop of 731,167,480, or 4.41 per cent.

Large cigarettes totaled 113,881 in the U. S., as compared with 193,270, a decline of 79,389, or 41.08 per cent.

Snuff totaled 2,917,649 pounds, as compared with 3,451,554, a decrease of 533,905, or 15.47 per cent.

Chewing and smoking tobacco totaled 25,931,262, as compared with 29,839,260, a loss of 3,907,998, or 13.10 per cent.

Following are the comparative figures:

Product	August, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	445,784,965	—	10,467,790	2.29
Philippine Islands	18,401,680	—	2,306,920	11.14
Puerto Rico	93,750	—	106,250	....
Total	464,280,395	—	12,880,960	2.70
Class B—				
United States	2,803,623	—	406,347	12.66
Philippine Islands	9,015	+	4,765	....
Puerto Rico	2,000	—	9,200	....
Total	2,814,638	—	410,782	12.74
Class C—				
United States	35,921,454	—	2,447,794	6.38
Philippine Islands	11,860	—	9,610	....
Puerto Rico	6,800	—	26,850	....
Total	35,940,114	—	2,484,254	6.47
Class D—				
United States	2,861,721	+	92,793	3.35
Philippine Islands	22,800	—	143,910	....
Puerto Rico	.....	—	1,000	....
Total	2,884,521	—	52,117	1.77
Class E—				
United States	269,434	+	63,099	30.58
Philippine Islands	250,110	+	249,960	....
Puerto Rico	.....		.....	....
Total	519,544	+	313,059	....
Total All Classes:				
United States	487,641,197	—	13,166,039	2.63
Philippine Islands	18,695,465	—	2,205,715	10.55
Puerto Rico	102,550	—	143,300	58.29
Grand Total	506,439,212	—	15,515,054	2.97
Little Cigars:				
United States	11,461,706	+	987,519	9.43
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	11,461,706	+	987,519	9.43
Cigarettes:				
United States	15,839,874,477	—	731,167,480	4.41
Philippine Islands	2,400	—	229,400	....
Puerto Rico	155,000	—	287,400	....
Total	15,840,031,877	—	731,684,280	4.41
Large Cigarettes:				
United States	113,881	—	79,389	41.08
Philippine Islands	.....		.....	....
Puerto Rico	15,000	—	10,000	....
Total	128,881	—	89,389	40.95
Snuff (lbs.):				
All United States	2,917,649	—	533,905	15.47
Tobacco (Chewing and Smoking) lbs.:				
United States	25,931,262	—	3,907,998	13.10
Philippine Islands	.....		.....	....
Total	25,931,262	—	3,907,998	13.10

Cigars, Cigarettes Show 8 Months' Gain

Cigarettes Pass 121,000,000 Mark for 5.33% Increase; U. S. Cigars Ahead Only 0.06%; P. I. Cigars, However, Up 12%

DESPITE the losses in August, there are still gains for the year to date in cigars and cigarettes, it is revealed in the report of eight months, withdrawals for consumption, given in the Supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States. The cigar increase was made up of gains in Classes A, C and E for the grand total of all classes, and in Classes C and D for U. S. withdrawals alone.

All classes of cigars in the U. S. totaled 3,439,046,489, as compared with 3,436,997,674, an increase of 2,048,815, or 0.06 per cent. Philippine Islands withdrawals totaled 141,613,535, as compared with 126,443,131, an increase of 15,170,404, or 12 per cent. Puerto Rico withdrawals totaled 815,950, as compared with 1,044,090, a decline of 228,140, or 21.85 per cent. The grand total was 3,581,475,974, as compared with 3,436,997,674, a gain of 16,991,079, or 0.48 per cent.

Class A cigars in the U. S. totaled 3,114,232,605, as compared with 3,115,355,120, a decrease of 1,122,515, or 0.04 per cent. A P. I. increase of of 15,016,505, or 11.92 per cent., raised the gain for the class to 13,602,900, or 0.42 per cent., in spite of a 291,090 loss in P. R. withdrawals.

Class B cigars in the U. S. totaled 24,483,621, as compared with 25,197,529, a drop of 713,908, or 2.83 per cent. Gains of 34,932 in P. I. withdrawals and of 29,000 in P. R. withdrawals, reduced the class loss to 649,976, or 2.56 per cent.

Class C cigars in the U. S. totaled 278,984,266, as compared with 275,065,750, an increase of 3,918,516, or 1.42 per cent. The P. I. loss was 49,912, and the P. R. gain was 35,450, for a net loss of 3,904,054.

Class D cigars in the U. S. totaled 19,521,223, as compared with 19,519,868, an increase of 1355, or 0.01 per cent. P. I. and P. R. losses converted this to a decrease of 170,105, or 0.86 per cent.

Class E cigars in the U. S. totaled 1,824,774, as compared with 1,859,407, a drop of 34,633, or 1.86 per cent. A P. I. gain of 338,839 over last year's figure of 13,821 converted this to an increase of 304,206, or 16.24 per cent.

Little cigars totaled 83,676,502, as compared with 108,704,947, a decrease of 25,028,445, or 23.02 per cent.

Cigarettes in the U. S. totaled 121,162,801,919, as compared with 115,028,113,270, an increase of 6,134,688,649, or 5.33 per cent. Large cigarettes lost 29.76 per cent.

Snuff totaled 25,334,198 pounds, as compared with 25,595,477, a loss of 261,279, or 1.02 per cent.

Chewing and smoking tobacco totaled 200,060,150 pounds, as compared with 202,106,785, a drop of 2,046,635, or 1.01 per cent. Following are the comparative figures:

Product	1st 8 Mos. Cal. Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	3,114,232,605	—	1,122,515	0.04
Philippine Islands	141,003,380	+	15,016,505	11.92
Puerto Rico	461,900	—	291,090	....
Total	3,255,697,885	+	13,602,900	0.42
Class B—				
United States	24,483,621	—	713,908	2.83
Philippine Islands	58,012	+	34,932	....
Puerto Rico	152,200	+	29,000	....
Total	24,693,833	—	649,976	2.56
Class C—				
United States	278,984,266	+	3,918,516	1.42
Philippine Islands	144,192	—	49,912	....
Puerto Rico	201,850	+	35,450	....
Total	279,330,308	+	3,904,054	1.42
Class D—				
United States	19,521,223	+	1,355	0.01
Philippine Islands	55,291	—	169,960	....
Puerto Rico	.....	—	1,500	....
Total	19,576,514	—	170,105	0.86
Class E—				
United States	1,824,774	—	34,633	1.86
Philippine Islands	352,660	+	338,839	....
Puerto Rico	.....		.....	....
Total	2,177,434	+	304,206	16.24
Total All Classes:				
United States	3,439,046,489	+	2,048,815	0.06
Philippine Islands	141,613,535	+	15,170,404	12.00
Puerto Rico	815,950	—	228,140	21.85
Grand Total	3,581,475,974	+	16,991,079	0.48
Little Cigars:				
United States	83,676,502	—	25,028,445	23.02
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	83,676,502	—	25,028,445	23.02
Cigarettes:				
United States	121,162,801,919	+	6,134,688,649	5.33
Philippine Islands	193,570	—	699,697	....
Puerto Rico	2,051,140	—	1,999,090	....
Total	121,165,046,629	+	6,131,989,862	5.33
Large Cigarettes:				
United States	1,140,793	—	483,353	29.76
Philippine Islands	3,275	+	3,154	....
Puerto Ruco	100,800	—	23,900	....
Total	1,244,868	—	504,099	28.82
Snuff (lbs.):				
All United States	25,334,198	—	261,279	1.02
Tobacco (Chewing and Smoking) lbs.:				
United States	200,060,150	—	2,046,635	1.01
Philippine Islands	47	—	517	....
Total	200,060,197	—	2,047,152	1.01

CIGARETTE TOBACCO GROWERS

ONCE again the watchfires burn throughout eastern North Carolina. From dark until dawn their steady glow outlines the highway for thousands of miles. Beside each fire sits a watchman—reading or whittling or just sitting, but always wondering what the next few weeks will bring. These are farmers, the gambling farmers who raise 70 per cent. of the nation's cigarette tobacco. Every year these silent men take a chance which would give their less stoical, city cousins a bad case of nerves. Months of hard labor, big fertilizer bills, often a mortgage on the farm goes into their crop. But not until it is all over have they more than a vague idea, little more than a guess, of what they will get in return. The local weather, the size of the crop over four states, the supplies left in the manufacturers' warehouses and even the growers' own reaction to the federal government's proposal for future crop reduction, always are factors in the gamble. And this year there is still another player sitting around the table—Mars. The silent men tending the fires at the curing barns are even more pensive than usual.

Now that the southern markets have opened and the first prices have averaged from 19 to 20 cents a pound, the growers have more basis for their estimates, and hopes. But until the bulk of the flue-cured tobacco crop, raised in North Carolina, reaches the auction row nothing is certain—especially in light of the European situation.

Last year prices opened on a fairly satisfactory basis. Then suddenly the growers' most important export customer, Great Britain, withdrew its buyers from the market. The bottom fell out. At once Governor Hoey and the warehousemen of the State decided to close all markets. They were not reopened until the majority of the growers had agreed on an acreage reduction of almost 20 per cent. and the federal government, through the Commodity Credit Corporation, had agreed to enter the market and purchase tobacco through the former British buyers.

As a result, the North Carolina tobacco farmers last year got $121,502,000 for their crop—a fair price but below the amount received in banner years. But what of 1940?

Although this year's acreage was reduced in the aggregate less than 20 per cent. below that of 1939, another factor in the farmers' annual gamble, the weather, was less sparing with the knife. According to the government's latest estimate North Carolina's 1940 flue-cured tobacco crop will be around 423,500,000 pounds, or about 45 per cent. below that of last year. So even with a 20-cent-a-pound price average—as compared to 14.9 cents last year—the total return to the growers will be considerably less.

By the end of September all North Carolina tobacco markets were in full swing. Already the auctioneers' chant is heard in the warehouses along the southern border. The bulk of the crop has been harvested and the leaves are curing in the barns. This is the period when the crop requires 24-hour attention for the temperature must be kept constant day in and day out until the green leaves have turned golden yellow and are ready for the market. Then, finally, will come the day when the grower takes his first load to the warehouse of his choice and the sale begins. Coming up one side of the row will be the auctioneer and the warehouse crew, facing them the buyers, representing various companies and, this year, the Commodity Credit Corporation. A sing-song spiel; secret signals from the buyers; then the cry "Sold to . . ." In less than a minute has been determined the price of tobacco it took months of labor to grow.

RUM AND MAPLE PRICES

Following is the complete price list and selling prices for Rum & Maple No. 53, display line products: Rum and Maple 15-cent size pouches, $1.53 per dozen, 15 cents retail; 1¾-ounce foil packages, $2.20 per dozen, 25 cents retail; 5-ounce Rum barrel humidors, $6.20 per dozen, 70 cents retail; 8-ounce Rum barrel humidors, $9.60 per dozen, $1.10 retail; 16-ounce Rum barrel humidors, $18.60 per dozen, $2.10 retail.

And for the regular list: Rum and Maple 15-cent size pouches, $1.60 per dozen, 15 cents retail; 1¾-ounce foil packages, $2.40 per dozen, 25 cents retail; 5-ounce Rum barrel humidors, $6.75 per dozen, 70 cents retail; 8-ounce Rum barrel humidors, $10.60 per dozen, $1.10 retail; 16-ounce Rum barrel humidors, $20.50 per dozen, $2.10 retail.

PHILIPPINE EXPORTS

Philippine exports of leaf, scrap, and filled tobacco continue adversely affected by the disruption of trade with Europe, although the figure for June, 1940, shows a moderate increase over the low point of the previous month. Cumulative total for the first half of 1940 shows a decline of nearly 72 per cent. June exports of leaf totaled 656,000 kilograms, the United States taking 255,000, China, Hong Kong and Manchuria 53,000, Java and Malaya 108,000, and Spain 240,000. Cigar shipments to the United States were extremely active during June, reaching a high for 1940, and an all-time high with the exception of November, 1939. Shipments to other countries, however, were comparatively insignificant. Noted shipments to the United States during the first half of 1940 exceeded the quota rate slightly, since the cumulative figure is 102,300,000 cigars, against the quota of 200,000,000 for the year, or of 100,000,000 cigars for the half year. June, 1940, cigar exports to the United States amounted to 23,549,000 units; to other countries, 332,000 units. Purchases of the 1940 Philippine tobacco crop were under way during June in Visayan Provinces LaUnion and Pangasinan, but marketing was not started in Cagayan and Isabela districts.

HARRY F. UNGAR

Harry F. Ungar, President of Alexander Ungar, Inc., cigar box manufacturer, of New Brunswick, N. J., died September 4 after a brief illness. His funeral, on September 6, was attended by members of the Welfare Workers, of which his wife, Elaine Lewis Ungar, was one of the founders, and the New York-Pennsylvania-Ohio Travelers Association, of which he was past president. Services were held at the West End Funeral Chapel, and interment was in Mt. Zion Cemetery. Surviving, in addition to his widow, are two sons, Alexander and Harry F., Jr., and a brother, Dr. Stanley Ungar. His home was at 1000 Kenyon Avenue, Plainfield, N. J. Harry Ungar's passing is a loss to a large host of friends in and out of the tobacco and cigar box industries.

World was Market for American Tobacco

FROM the standpoint of the number of farms producing tobacco and the number of people engaged in tobacco production, processing, and shipping, the most important type of tobacco entering into foreign trade is the Bright Flue-Cured which is produced largely in the Carolinas, Georgia, Virginia and Florida. American-grown tobaccos are sold throughout the world. Among over a hundred customer countries, 93 may be classed as purchasers of Bright Flue-Cured tobacco, and the distribution of the type is exceeded in the number of customer countries only by American-made cigarettes, which are exported to 115 or more countries.

According to an analysis covering 17 years of Bright Flue-Cured tobacco distribution in the foreign trade, by the Tobacco Division, Department of Commerce, it is revealed that over one-half of the entire volume grown in the United States during the period was exported in the form of leaf. On the basis of export weights, as assembled from Shippers' Export Declarations, converted to farm sales weights, without giving consideration to that portion from which the midribs or stems were removed, the volume of Bright Flue-Cured tobacco sent into the export trade amounted to 51.36 per cent. of the volume grown. In this calculation the enormous crop of 1939, amounting to 1,159,320,000 pounds, and the small shipments of 1939 amounting to 245,977,000 pounds, are included. Withdrawing the 1939 figures from consideration, the volume (farm weight) exported in the 16-year period amounted to 54.3 per cent.; however, if stemmed shipments entered into the calculation, the farm-weight volume would be somewhat greater.

Types of tobacco sent into the export trade were not segregated in official statistics prior to 1923, therefore the proportion of Bright Flue-Cured tobacco exported during 1919, when the aggregate export volume of all types of unmanufactured tobacco amounted to 776,684,135 pounds, is not known.

In the 17-year period, 1923 through 1939, out of aggregate exports of unmanufactured tobacco, the volume of Bright Flue-Cured accounted for 65.49 per cent. In the peak year of the period, which was 1928, aggregate unmanufactured tobacco exports amounted to 583,846,000 pounds, of which Bright Flue-Cured accounted for 434,898,000 pounds or 74.49 per cent., and in 1929, when the aggregate was 565,902,000 pounds, Bright Flue-Cured accounted for 410,836,000 pounds or 72.6 per cent.

In recent years, that is, beginning with 1932, the total tobacco export volume has registered somewhat below the 500,000,000-pound mark, and with the exception of 1938, fell below 450,000,000 pounds. However, the Bright Flue-Cured type, as it relates to aggregate exports of unmanufactured tobacco, suffered less than other types; in fact, its proportion actually increased steadily until 1939, the year of unprecedented Bright Flue-Cured production and low exports. Exports of Bright Flue-Cured tobacco in 1939 hit the low point of the 17 years under review, with the exception of 1923, the year in which types of tobacco were first segregated in official statistics.

The United Kingdom is by far the foremost consumer of American-grown tobacco, and, for the most part, the type is Bright Flue-Cured.

In the last 17 years, 51.36 per cent. of the Bright Flue-Cured tobacco grown during the period entered the export trade; also that 65.49 per cent. of all tobacco exported from the United States during the period was of the Bright Flue-Cured type. The United Kingdom accounted for 26.23 per cent. of the entire growth of Bright Flue-Cured tobacco during the 17 years, and that the aggregate volume of the type exported to the United Kingdom was 90.32 per cent. of all exports of unmanufactured tobacco to that country, and 51.06 per cent. of the Bright Flue-Cured volume exported to all countries.

In 1919, when United Kingdom interests moved 338,872,440 pounds of American tobacco from accumulated storage in the United States, the bulk of the movement consisted of Bright Flue-Cured; however, owing to the fact that the type was not segregated in official statistics prior to 1923, the exact volume cannot be determined.

China is the country occupying second place as a consumer of Bright Flue-Cured tobacco. Exports of the type to China include leaf, scraps, and stems. In the 17 years (1923-1939, inclusive), scraps and stems accounted for 10.99 per cent. of all Bright Flue-Cured exports from the United States to China. In the 17-year period China accounted for 12.56 per cent. of the Bright Flue-Cured tobacco grown during those years.

While the United Kingdom and China are generally given paramount consideration as consumers of Bright Flue-Cured tobacco, prominent in the minds of growers and shippers at this time are the countries of Europe, Latin America, and Canada, Europe and Canada from the standpoint of disruption of trade, and Latin America from the standpoint of potential trade.

Thus, 51.36 per cent. of all Bright Flue-Cured tobacco grown in the United States is sent into the foreign trade. The proportion, without doubt, is somewhat above 51.36 per cent., for in the calculation the volume of stemmed tobacco going into the export trade was treated as unstemmed, due to the fact that the stemmed quantity is not specially segregated in official export data. According to Circular 435, Department of Agriculture, about 40 per cent. of all Bright Flue-Cured tobacco is used in domestic manufacture, and about 60 per cent. is exported.

Bright Flue-Cured stems and scraps exported to countries other than China were not considered. Exports of stemmed tobacco are thought to be worthy of note, while the volume of Bright Flue-Cured stems and scraps to countries other than China are thought to be very small.

In the conversion of the export volume of Bright Flue-Cured tobacco from export order to farm weight, and in the conversion of stems and scraps exported to China, the percentage used for exports was 88.

The Bright Flue-Cured type of tobacco is the foremost type consumed in the domestic tobacco industry; also, it has been shown to be the foremost export type. The two countries upon which the type depends largely for its foreign market are United Kingdom and China.

In the 17-year period under review, the United Kingdom accounted for 26.23 per cent. of the crop grown in the period, and China accounted for 12.56 per cent. While it is thought in some quarters that

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European countries, other than the United Kingdom, are large consumers of Bright Flue-Cured, it is well known in the tobacco trade that the greater consumer taste in cigarettes is not for this type, but for the aromatic tobaccos of the Mediterranean. In the 17 years (1923-1939, inclusive), other European countries accounted for only 5.55 per cent. of the crop.

Likewise, Latin American cigarette consumers have not developed an appreciable taste for other than heavy dark tobacco, and the volume of the Bright Flue-Cured crop accounted for by the whole of Latin America in the 17-year period amounted to only 0.28 per cent. However, it may be stated that American export interests are combing Latin America in the interest of the type, and due to the fact that most Latin American countries are experimenting with the American type of blended cigarette, some little success may be attained.

Canada, which accounted for only 1.44 per cent. of the Bright Flue-Cured crop in the period 1923-1939, has been a moderate consumer of Bright Flue-Cured tobacco; however, with the aid of Carolina tobacco growers, other United States citizens, and tobacco seed and plants from the United States, Canada has almost freed herself from United States purchases of the Bright Flue-Cured type. Moreover, Canada has accumulated a very large surplus over and above a large export business.

ESTIMATES ON TOBACCO CROP

THE production of all types of tobacco combined is estimated at 1,262,087,000 pounds or about 2 per cent. less than the July 1 forecast. A crop of this size would be the smallest since the drought year 1936 and would be a decrease of about 32 per cent. from last year's record high crop of 1,848,654,000 pounds. The ten-year (1929-38) average production of tobacco in this country is 1,360,661,000 pounds. Most of the reduction in size of the crop compared to last year is accounted for by the sharp curtailment in acreages. The yield of 878 pounds per acre is about 4 per cent. less than the yield secured in 1939.

Excessive heat in July, especially in North Carolina, did considerable damage to flue-cured tobacco and as a consequence the crop is now estimated at 641,940,000 pounds compared with 676,645,000 pounds on July 1. Last year 1,159,320,000 pounds of flue-cured tobacco was produced. In most of the flue-cured area of North Carolina and to a lesser extent in South Carolina leaves did not develop well because of heat, but ripened fast and immature leaves burned before maturing. A high yielding crop of good quality flue-cured tobacco was reported ready for market in Georgia, while in Virginia a crop of uniform growth and relatively high yield per acre was being harvested on August 1.

Favorable weather prevailed over most of the fire-cured tobacco sections during July and prospects now are for a dark fired crop of 96,530,000 pounds compared with 95,087,000 pounds indicated a month earlier. Production of the dark fired types has been declining for several years and the present estimate is about 28 per cent. less than the ten-year average although it is slightly above last year's production of 95,604,000 pounds. The indications on August 1 were for a yield of 831 pounds per acre, or about the same as was forecast on July 1 and about 3 per cent. less than the 1939 yield of 856 pounds per acre.

The indicated production of 332,254,000 pounds of burley tobacco is only slightly smaller than the 333,966,000 pounds forecast on July 1. This year's crop in Kentucky is reported to be progressing favorably, though somewhat irregular and showing effects of dry weather to some extent. Weather conditions during August will of course be important in determining the size and quality of the burley crop to be harvested this season.

Prospects for Maryland tobacco improved during July and the crop is now estimated at 26,460,000 pounds, an increase of about 9 per cent. over the 24,192,000 pounds indicated on July 1, but about 11 per cent. less than last year's production. The ten-year average for this type of tobacco is 26,096,000 pounds.

The indicated production of dark air-cured tobacco remained practically unchanged from the July 1 forecast and is now estimated at 42,075,000 pounds. This represents a crop only slightly smaller than last year's production of 43,287,000 pounds and the ten-year average of 43,389,000 pounds.

Cigar tobacco made a rather late start due to cool weather and rains in June, but made fair progress during July and production is now estimated at 122,828,000 pounds compared to 119,013,000 pounds a month earlier. The most improvement during the month was shown in the cigar filler types while prospects for the binder and wrapper types remained essentially unchanged from a month ago. Last year 125,849,000 pounds of cigar tobacco were produced.

POPULAR LEADERS
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SEEDLINGS PLANTED IN GERMANY

Notwithstanding numerous difficulties, German tobacco planters are said to have set out their seedlings according to plan; in many cases, however, only with assistance of voluntary workers. Reports from Baden and the Neckar Valley indicate that on May 31, 80 per cent. of the total pipe tobacco area of the various tobacco-growing societies had been planted, while in the Saar district 95 per cent. of the pipe tobacco area and 75 per cent. of the cigar tobacco fields were under cultivation. In Franconia the tobacco-growing societies announced that 70 per cent. of the fields were planted on May 31, while in the lower Rhine district and in the Nahe district the totals were 80 per cent. and 75 per cent., respectively. Wuerttemberg reported that all fields were planted by June 7. In the Saar and Baden districts planting ceased with the end of the first week in June. No exact figures regarding the 1940 total area planted to tobacco are available. The Berlin trade press reports that the 1939 acreage will be maintained and possibly exceeded by approximately 200 hectares. It is announced that in the Baden district 7189.82 hectares will be cultivated this year, which is 148 hectares more than in 1939.

The German prohibition against the sale of cigarettes by the piece has been removed for the duration of the war under the following conditions, according to an order of the Ministry of Finance, dated June 5, 1940, and published in the Reichszollblatt No. 32 of June 12, 1940. The order stipulates that cigarettes may be sold by the piece or loose to consumers only when small packages, holding 3, 4, 5, 6, 10 and 12 pieces, are not available in sufficient number, and only from packages containing 20 cigarettes or more. Cheap cigarettes may only be sold in the following fixed minimum numbers or in multiples thereof: 2½ pfennig cigarettes, minimum 2 pieces; 3⅓ pfennig cigarettes, 3 pieces, and 4⅙ pfennig cigarettes, 6 pieces. Permission is also given for the duration of the war for the sale of a package of 48 cigarettes in the low-price category of 3⅓ pfennigs.

Because of wars in Europe, Africa, and Asia, and due to the world-wide business disturbances, trans-Pacific freight rates are higher, maritime insurance costs more, and other incidental expenses have increased with the result that continuance of present prices is *uncertain*.

To avoid any inconvenience, and to profit most, get your supplies of Manilas at once.

For particulars about Manilas please write to

THE PHILIPPINE TOBACCO AGENCY

2362 Massachusetts Avenue, N. W., Washington, D. C.

How War Affected Tobacco Exports

NORMALLY exports of fire-cured tobacco are heaviest from March through June after the opening of the fire-cured markets in December or January. In the 1939-40 season many markets opened later than usual because of cold weather. Total exports of fire-cured tobacco in 1939-40 have been reduced by military conflicts in the principal importing countries of Europe. France, the largest single importer of fire-cured, was off the American markets until February, and as a consequence exports to France were delayed until April. During April, May, and June, by far the larger portion of total exports went to that country. The outlook for exports to France in the near future is uncertain.

More than 3 million pounds of fire-cured tobacco, purchased for British account during the 1939-40 season by the Commodity Credit Corporation, is still being held for British option, which extends to October 1, 1941.

The 1940-41 marketing season for flue-cured tobacco opened on August 8th with a supply of more than 2 billion pounds on hand—about the same as the record supply of the 1939-40 season. Crop conditions on July 1st indicated a 1940 flue-cured crop of 677 million pounds. This is about 480 million pounds less than the record 1939 crop, but this decrease in current production is almost offset by the estimated increase of about 465 million pounds in the current carry-over.

Exports of flue-cured during the 1939-40 season totaled 252 million pounds, compared with 362 million in 1938-39. Exports to the United Kingdom totaled only 97 million pounds as contrasted with normal exports of around 200 million pounds. Exports to China and The Netherlands, however, were above those for the 1938-39 season. No immediate improvement in the export situation as a whole is likely.

On July 20 about 86 per cent. of the flue-cured growers voting in a referendum favored marketing quotas for the three years 1941-43.

The total supply of burley is about the same as that of last year. The 1940 burley crop is indicated at about 334 million pounds—somewhat more than the marketing quota for this kind of tobacco. The July 1st indication for the Maryland crop, on the other hand, is for a crop of 24 million pounds—6 million pounds less than the 1939 crop. The fire-cured and dark air-cured crops are about the same as in 1939, and except for the adverse export situation would be in a relatively favorable position.

The total supply of domestic cigar tobacco in 1940-41 is estimated to be about 385 million pounds; the 1939 supply was about 400 million pounds. Smaller crops of filler and wrapper, and reduced stocks of filler and binder account for the decrease. A moderate increase in consumption of cigars seems probable in 1940-41.

The prospective increase in consumer incomes over the past year may partly or wholly offset the effect on cigarette consumption of the increased Federal tax. In that event, the increasing number of smokers and apparently continuing shift from other forms of tobacco to cigarettes may result in a further rise in total cigarette consumption.

The July 1st report of the Crop Reporting Board places the 1940 acreage of flue-cured tobacco for harvest at 753,300 acres. This is slightly below the total of 760,000 acres allotted on the basis of normal yields by the Agricultural Adjustment Administration, and is evidence of some voluntary reduction in acreage by growers cooperating in the adjustment program.

Yields are indicated to be above normal, however, and July 1st conditions pointed to a total production of about 676,645,000 pounds, which is greater than the normal production on the full acreage allotment. The indicated average yield of 898 pounds has been exceeded in only two years—in 1935, when the yield was 928 pounds, and in 1939, when the yield was 900 pounds.

Because of unfavorable weather conditions, transplanting was delayed in a large part of the flue-cured area, and the scheduled dates for market openings set by the Tobacco Association of the United States are later than usual. They are as follows: Georgia and Florida (type 14), August 8th; South Carolina and North Carolina border markets (type 13), August 20th; Eastern North Carolina (type 12), September 3d; Middle Belt (type 11b), September 17th; and Old Belt (type 11a), September 24th.

United States stocks of flue-cured tobacco as of July 1, 1940, are estimated to be 1410 million pounds. Although the decrease in 1940 production will slightly more than offset the increase in stocks as of July 1st, the supply still totals more than 2 billion pounds, or nearly the same as in 1939. The 1940 stocks are larger by at least 150 million pounds than would normally have been the case had not exports been curtailed by the European war. Disappearance in 1939 was lower by about the same amount as the reduction in exports.

Of the 173 million pounds purchased by the Commodity Credit Corporation for the option of British manufacturers, about 11 million pounds have been taken while 161,881,000 pounds remain in stocks in the United States. Exclusive of these stocks still under British option, United States flue-cured stocks total approximately 1250 million pounds, or about 300 million pounds above the normal stocks of recent years.

Tax-paid withdrawals of cigarettes showed a substantial increase each month (with the exception of March) during the fiscal year beginning July, 1939. Tax-paid withdrawals of cigarettes totaled 168 billion during the fiscal year beginning July, 1938, whereas the total for the fiscal year beginning July, 1939, was 178 billion, an increase of 5.8 per cent. over the previous fiscal year. The Defense Tax of the Revenue Act of 1940, effective on cigarettes after June 30, 1940, and before July 1, 1945, raises the Internal Revenue tax from $3 per 1000 to $3.25 per 1000 on small cigarettes, and from $7.20 per 1000 to $7.80 per 1000 on large cigarettes. In view of the almost continual increase in per capita consumption of cigarettes over the past several years, the increase in population, and the probability of some further improvement in consumer incomes, the effect of the additional tax on consumption is uncertain. In some cases this tax has been assumed by the manufacturer or distributor and no increase in price has taken place.

Imports of cigarette leaf, principally from Greece and Turkey, totaled 50 million pounds in the fiscal year ended June, 1940; in the fiscal year ended June, 1939, imports totaled 53 million pounds. This was the largest total since 1926, when the figure was 59 million pounds.

Stocks of foreign-grown cigarette leaf in the United States, used principally for blending, at present approximate 120 million pounds. This is the largest total on record, and is equivalent to over 2.5 years'

The Tobacco World

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 — OCTOBER, 1940 — *Prepared twice a month*

PHULOFAX

(The Retailer's Friend)

SAYS

When the product you sell is not "moving" satisfactorily, the easiest thing to do is to blame it "on business conditions being poor"—and yet that may not be the reason at all.

Who knows what is the most important thing to first ascertain?

—o—

Checking twenty-seven dealers who went after cigars by the Box for Labor Day vacation, ten reported selling six or more boxes, four reported selling five boxes, two reported selling four boxes, five reported selling two boxes, four reported selling one box and two reported selling none . . . not bad, says Phil.

—o—

(Reprinted by Request)

THE ALIBIS OF ALIBI IKE

JANUARY—Can't do much business 'cause dealers carried over too much stock from Christmas.

FEBRUARY—Less days this month so can't do as well as in months that have more days.

MARCH—Folks not spending money . . . saving up for Easter.

APRIL—Folks spent money on Easter things . . . our dealers not buying this month.

MAY—Late spring this year . . . seasons all out of whack . . . retailers not in mood to buy.

JUNE—Not much chance for selling . . . consumers saving up for vacation.

JULY—Too many people away on vacations.

AUGUST—Ditto.

SEPTEMBER—Everybody broke . . . not buying anything . . . used all their money on vacations.

OCTOBER—Business not good . . . won't be good until folks start buying for Christmas.

NOVEMBER—Everybody holding on to their money to buy Xmas gifts . . . looks like a lot of last minute buying.

DECEMBER—Customers not buying Xmas gifts this year . . . afraid it's going to be a "hard winter" and are holding on to their cash.

—o—

Incidentally, not too early to scheme up stunts for Christmas sales . . . start planning to sell 'em 50 cigars—not just 25.

—o—

That "quizzer" appearing in recent issue of Bayuk Bulletin—

BCBB4C&B4UFURNCB

is, as of this writing, still an unsolved "quizzer" . . . 92 replies and each one wrong, and yet Phil says the answer is as simple as can be if you are a C B.

—o—

Sell Cigars! Sell Five Packs! Sell Cigars by the Box! ! !

Phil M. Phulofax

D. B. I.

**Associated with BAYUK CIGARS INC., Philadelphia — Makers of fine cigars since 1897.*

"I'll Try" Is Bunk!

by

Frank Trufax

The Frank Trufax letters, published in book form some years ago, attracted so many requests for copies that two editions were exhausted. In view of the continued demand, the editors have decided to republish the letters in the Bayuk Bulletin.

To My Salesmen:

I'm not hep to a lot of base-ball dope but I think it was Ty Cobb who said,—"When I steal second, I never *think* of how to get away from first—I *think* only of landing safely on second." He visualizes Accomplishment before he even makes the Attempt. That may or may not be his whole Secret of Success but with the same principle involved, what a Salesman Ty Cobb would be.

And so, without knowing anything about telepathy, mind over matter or much book-stuff on Salesmanship, I say to you, men, that you can't sell the man you *think* you can't sell.

Here's something else experience has taught me— it's best to keep away, far away, from the man you *think* you can't sell until the "Can't" brain cell drops the " 't."

Do not tackle your prospect with the feeling that you are "Going to try" to sell him—let nothing dampen your determination to *sell him.* "I am *going* to sell you" is the mental slogan that repeats itself in your mind like a trip hammer.

Out of one hundred and ten or twenty million people in this wonderful U. S. A., you may be the only person who knows that fact but you *must* know it and feel it or there's nothing doin'.

In other words, the order must be "strapped, corded and sealed" in your Own Mind before you even start the delivery of your selling talk to Mr. Buyer.

The limpest word in the human lingo is the word "Try"—To "Try" is to "Attempt"—to "Do" is to *"do!"*

Are you, my men, out "Attempting" to sell or are you out to *"do"* selling? If the latter, why the bunk about "trying?"

The *"will"* to sell—not the "Try" to sell—is the magnet to use to pull orders.

The chances of getting an order are dependent upon the sureness of your belief that you *can* get it and the thoroughness of your determination that you *will* get it!

"Bosh"—I hear you murmur—"That's all bull. An order cannot be secured just because you Believe you can get it, nor merely by reason of the stick-to-it-iveness of any salesman."

Right-U-are, says I—it's the Sureness of your Belief and the Thoroughness of your Determination that turn the trick and the possession or absence of these two qualifications mark the distinction between a man who sells goods and a man who has goods to sell.

From what little I know about golf, a "Mental hazard" is not really a hazard except *mentally!* The "hazard" is purely in the mind—"I'll try" is a mental hazard that prevents sales—throw it out of your mind!

In nineteen hundred and something, Princeton said they *ought* to beat Yale in base-ball. Score, Yale 19—Princeton 0.

The following year, Princeton said they *must* beat Yale. Score, Yale 2—Princeton 0.

The third year, Princeton said "We *will* beat Yale." Score, Princeton 6—Yale 3.

Facts, not fiction, boys, and it is the same never-say-die spirit, this *will* to *win* that brings victories in ball games, in foot-ball games, in golf games and in the Selling Game! Positively! !

"And where do you get these bona-fide Order Pullers, Sureness of Belief and Thoroughness of Determination—and the *'I will'* spirit instead of 'I'll try' spiffle," you ask?

A worthy question, I'll say.

In our own case, boys, by studying the opportunities on Your Brands from every angle. The greater your knowledge of Your Brands, the greater your Confidence in imparting the merits of your bread-winners to Mr. Dealer. Along with Knowledge and Confidence will come the miracle-maker, Enthusiasm, which, if you will stimulate to the proper speed, will fairly force your legs to run to Work and Get the Salesman's Elixir of Life—an order.

"Every time an order" your query? No, my men, positively no. If we did, we'd be so full of conceit, we'd bust, but *more* orders will come from the *"will"* to get orders than the "try" to get orders!

Let's go get 'em!

Yours, Iknowuwill,

Frank Trufax

Phillies
Bayuk Ribbon
Mapacuba
Charles Thomson
Prince Hamlet
BAYUK BRANDS BUILD BUSINESS

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

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"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday and Sunday

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FLAVORS FOR SMOKING and CHEWING TOBACCO

Write for List of Flavors for Special Brands

BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS

FRIES & BRO., 92 Reade Street, New York

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACTS OF CONGRESS OF AUGUST 24, 1912, AND MARCH 3, 1933.

Of THE TOBACCO WORLD, Published Monthly at Philadelphia, Penna., for October, 1940.

State of Pennsylvania, } ss.
County of Philadelphia, }

Before me, a Notary Public in and for the State and County aforesaid, personally appeared B. S. Phillips, who, having been duly sworn according to law, deposes and says that she is the business manager of THE TOBACCO WORLD, and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of publisher, editor, managing editor, and business manager are:

Publisher—The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.

Editor—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

Managing Editor—None.

Business Manager—B. S. Phillips, 236 Chestnut Street, Philadelphia, Pa.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)

The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.
Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.)

None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is.................. (This information is required from daily publications only.)

HOBART B. HANKINS,
Editor.

Sworn to and subscribed before me this
24th day of September, 1940.
SAMUEL LIPMAN,
(Seal) Notary Public.
My commission expires May 25, 1944.

supply. This probably indicates some effort on the part of manufacturers to anticipate any curtailment of imports of cigarette leaf which might result from the increased number of countries included in the European blockade.

Europe: Normally, over a period of years, the United Kingdom has taken about one-third of the United States flue-cured tobacco crop, or around 200 million pounds. The action of the British Government in withholding exchange for American tobacco has resulted in exports to the United Kingdom of 97 million pounds during the fiscal year ended June, 1940. This is only 8.4 per cent. of the record 1939 crop of 1,159,320,000 pounds. Practically all of the exports to the United Kingdom consisted of tobacco purchased before the outbreak of the war last September.

Exports of flue-cured leaf to The Netherlands in the fiscal year ended June, 1940, totaled almost 19 million pounds, or more than 12 million pounds above the exports in 1938-39 and 14 million pounds above those of 1937-38. Large exports to The Netherlands during September, November, and December, 1939, totaling more than 14 million pounds, apparently were in anticipation of a further curtailment of shipping facilities. Exports to other European countries have practically ceased during recent months.

At present the United Kingdom has less than a two years' supply of leaf on hand, exclusive of the 162 million pounds of flue-cured remaining under option in the United States. An estimated 20 million pounds of Turkish leaf will be purchased annually by the United Kingdom in accordance with the financial and economic treaty signed between the Turkish, British, and French Governments on January 8, 1940. It was anticipated at that time that the French monopoly would take from 2 to 7 million pounds of this 20 million annually. Should the United Kingdom now take the entire estimated 20 million pounds, it would probably displace approximately an equal amount of United States exports of flue-cured ot the United Kingdom.

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In 1939, the United Kingdom used in home consumption about 200 million pounds of flue-cured leaf. Empire-grown tobacco now accounts for about 18 to 20 per cent. or approximately 40 million pounds. On this basis, in order to maintain normal consumption the United Kingdom would require at least 140 million pounds annually of flue-cured leaf from the United States for home consumption—and possibly more if the agreement with Turkey becomes ineffective. To this should be added some 20 million pounds for reexports and the manufacture of tobacco products for export. Consequently, eventual British needs for American flue-cured tobacco may still be between 140 and 170 million pounds annually. However, any such calculation must necessarily vary with the duration and final political and economic outcome of the present European conflict.

On April 24, 1940, the import duty on tobacco entering the United Kingdom was raised from 13s. 6d. ($2.72) to 17s. 6d. ($3.53) per pound; on July 24th the rate was again increased to 19s. 6d. ($3.93) per pound (conversions at official prevailing exchange, i. e., shilling equals 20.175 cents). This is the third increase since April 26, 1939, when the duty was 11s. 6d. ($2.69) per pound (conversion at average exchange for April, 1939).

Orient: Exports of flue-cured leaf to China during the fiscal year ended June, 1940, totaled 59 million pounds, 9.4 per cent. above those of the preceding year and the highest total since the 1933-34 season.

The large shipments for the past year are attributed to the fact that Japanese agencies have taken over much of the supply of Chinese flue-cured tobacco, causing British, American, and Chinese concerns who have supplied most of the domestic cigarettes to import more of their leaf requirements. This situation is believed to be only temporary, and for the coming year it appears that exports of American flue-cured to China will be substantially below those of the past year. Factors indicating lower exports include (1) a 1940 flue-cured crop for China of 140 million pounds as compared with a revised estimate for 1939 of 120 million pounds; (2) the possibility that consumer demand for cigarettes made from imported leaf will not be sufficient to support higher prices which are likely to result from increased taxes and higher cost of materials; (3) difficulties of shipping cigarettes made from imported leaf to interior consuming centers, and (4) uncertainty of exchange and continued unsettled political conditions.

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It's Lighter - for Shipping
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Uptegrove Lumber Co.
Cigar Box Lumber for 67 years

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Established 1886
"BEST OF THE BEST"

OPTIMO CIGARS
VERY MILD VERY MILD

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Office, 1181 Broadway, New York City
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Are Outstanding In
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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERRED REGISTRATION

JUAN OVAREZ:—25,743 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered March 28, 1913, by National Litho. Co., New York, N. Y. Transferred to the Medal of Honor Cigar Co., Passaic, N. J., on March 13, 1923.

Internal Revenue Collections

August

Source of Revenue	1940	1939
Cigars	$ 1,162,445.09	$ 1,197,525.43
Cigarettes	54,859,649.97	49,715,362.98
Snuff	525,184.27	621,279.76
Tobacco, chewing and smoking	4,668,202.54	5,375,535.54
Cigarette papers and tubes	121,019.58	70,170.47
Leaf dealer penalties	22.09	170.43

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of June

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	4,114,862	— 537,539	11.55
Twist	416,166	— 67,561	13.97
Fine-cut Chewing	366,896	— 93,852	20.37
Scrap Chewing	3,187,323	— 729,380	18.62
Smoking	16,081,503	— 1,897,647	10.55
Total	24,166,750	— 3,325,979	12.10

Six Months Ending June 30

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	24,049,022	— 1,538,570	6.01
Twist	2,711,309	— 93,185	3.32
Fine-cut Chewing	2,205,859	— 89,105	3.88
Scrap Chewing	20,584,564	+ 434,469	2.16
Smoking	98,122,901	— 460,881	0.47
Total	147,673,655	— 1,747,272	1.17

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

PROTECTS DRAFTED EMPLOYEES

George W. Hill, president of the American Tobacco Company, made public on September 23 the action taken by the board of directors regarding payments to be made to employees who volunteer or who are called for military training as members of National Guard units or under the recently enacted conscription law.

During their twelve months' training period, employees of the Company will be paid the difference between their regular earnings up to $3500 a year and their training service pay.

In announcing that the American Tobacco Company would pay the wages and salaries of its employees during the time of their military training, Mr. Hill said, "It is our feeling that the man who volunteers or who is called from his job to be trained for the defense of his country should be given every encouragement and assistance. The action taken by the board of directors will, we believe, contribute greatly to the morale of our entire organization as well as to that of those of our employees who enter the service."

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SMOKING ADDS EFFICIENCY

Henry J. Pinney, President of the National Association of Tobacco Distributors, is authority for the statement that women employees work more efficiently when they are allowed to smoke at their desks. He experimented with the idea in the offices of the H. E. Shaw Co., distributors of Worcester, Mass., of which he is also president. Noting that the majority of the seventy female employees were absenting themselves many times during the course of a day to enjoy a cigarette in the rest room, he decided to permit them to smoke at their desks upon the condition that they would not carry lighted cigarettes about the office, and that they would empty and keep clean their own ash receptacles. The result, he said, was increased efficiency.

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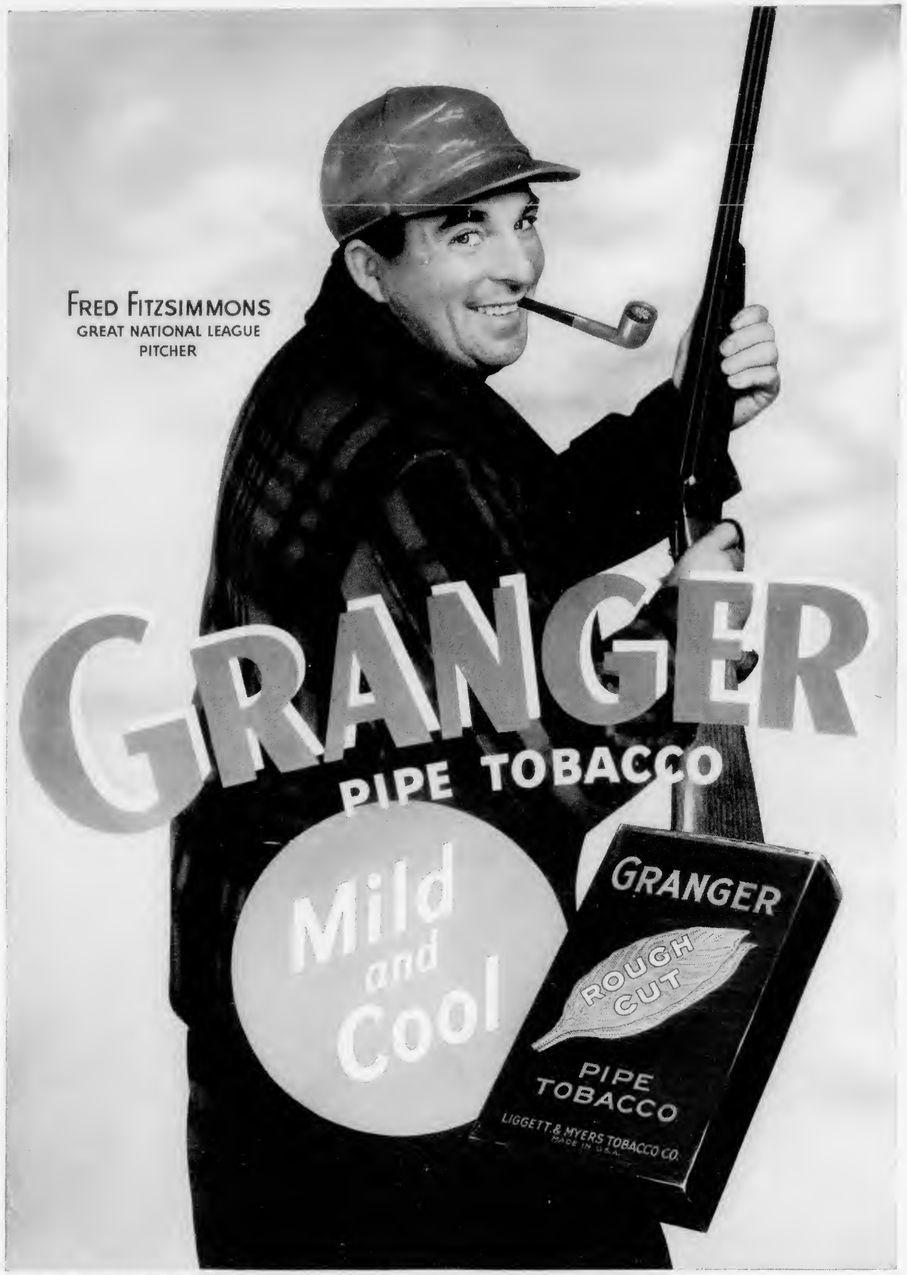
HOLIDAY TRADE PROSPECTS GOOD

General business continues to improve. Largely, but by no means entirely, because of the defense program, production, employment and other industrial indices are up. There is an upturn in the tobacco business, as well as in other lines. It is reasonable to expect that the heavier volume of spending which results from defense and other activities, will be crystallized in the most substantial holiday business which the industry and trade have known for many a year. It is the part of wisdom to prepare now for that Christmas business.



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HOBART B. HANKINS—*Editor* *Business Manager*—B. S. PHILLIPS

THE TOBACCO WORLD

Vol. 60 NOVEMBER, 1940 No. 11

NOW is the time—and it is not a minute too early when it behooves everybody in the tobacco industry and trade, from the biggest manufacturers (who need no urging) down to the smallest retailers, to give thought and plan action for a Christmas holiday business in keeping with the times. This should mean a volume second to none, if current indices of production are any criterion. Advertising and promotion toward that end are indicated for the manufacturers. Intensive fine-tooth-combing of their territories, so that no retailer is caught with an inadequate stock at the eleventh hour, is the job of the jobbers. Orders in sufficient quantity to meet a record-breaking demand, along with appropriate, attractive displays and their own local advertising and promotion, are strongly recommended to the retailers. With the proper exploitation, this should be the biggest Christmas in years for the cigar business, just as it is taken for granted that it will be the biggest holiday season for cigarettes. Pipes, chewing and smoking tobacco, and all the requisites for the enjoyment of tobacco, the third greatest need of Americans, next only to food and shelter, should share in this year's extraordinarily heavy volume of Yuletide spending.

▲

CIGAR smoking is effectively promoted in the revival of "Charley's Aunt" on Broadway, starring Jose Ferrer. So it is meet and just that the producers are Joseph F. Cullman, Jr., and Howard S. Cullman, of Cullman Bros., Inc., and cigar promoters from way back. Oldtimers remember this farce, written by Brandon Thomas and originally produced in London, December 21, 1892, and running for 1466 performances there. A little later it had a long run in this country. It is reported that Ferrer and other members of the cast are inveterate cigar smokers, welcoming the opportunities which "Charley's Aunt" affords, to smoke on stage, as well as off. Orchids to the Cullmans for their choice of a play which tends to promote the smoking of cigars at a time when too many in the cigar business are actively doing the opposite by smoking cigarettes, actually, when engaged in selling cigars.

▲

AN all-time high in P. I. shipments to the United States was recorded during the first eight months of the current year, in spite of a sharp decline in August, which was repeated in September. Exports to other countries during the first eight months exceeded any corresponding period since 1937. During August, shipments of leaf, scrap and filler dropped 80 per cent., the total being the lowest reported for any month in recent years. There were no shipments to Europe during the month, the small amount exported going principally to the United States and China. Cigar exports to the United States decreased very heavily to 12,667,000 units, during August. Cigar exoprts to other countries, amounting to 279,000 units, also noted a sharp decline compared with earlier months of this year, but were slightly above those of August, 1939. A substantial part of the 1940 tobacco crop in Cagayan and Isabela districts was purchased during August at prices from 50 to 100 per cent. higher than in 1939. Total leaf exports during the first eight months of 1940 reached only 101,000 kilograms, a 49 per cent. decline from shipments during the corresponding period in 1939. Of this total, 87,000 kilograms went to the United States, 13,000 to China, and 1000 to other countries.

▲

WHAT this country needs today is more men who can find things to be done without the help of a manager and three assistants; men who get to work on time and never imperil the lives of others trying to be the first out when the day's work is ended; men who are neat, who do not sulk, who listen carefully when spoken to, who ask only enough questions to insure the accurate carrying out of instructions, who move quickly without noise or fluster, who look you straight in the eye and tell the truth every time, who do not pity themselves because they have to work.

▲

ROBERT J. BAYUK, twenty-three-year-old son of Samuel Bayuk, of Bayuk Cigars, Inc., has enlisted in the U. S. Marine Corps for three years, and is now at the training base at Parris Island. Active in college athletics, young Bayuk was a player on the Franklin and Marshall football squad and a member of the University of Maryland swimming team.

▲

REDUCTION in exports of Cuban tobacco, the accumulation of large stocks, and difficulties in obtaining payment for leaf shipped to Spain, have caused growers in the Vuelta Abajo region of the island, where about 40 per cent. of the island's crop is produced, to recommend that no tobacco be planted in Cuba during the 1940-41 season. Growers in other districts, however, who produce leaf of lower quality, for which the export situation has remained more favorable, do not support the plan, according to a report from American Consul Cyril F. L. Thiel at Habana. The Cuban Government's attention has been directed to the necessity for acreage reduction, but the present unfavorable financial position of the island's treasury indicates that the Government will be unwilling to finance a reduction program, which it is estimated would cost from 3 to 4 million dollars. It has, however, promised a delegation of growers from a province in the Vuelta Abajo region that it will investigate the possibility of measures to relieve the distress in that area.

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B, C and D Cigars Gained in September

But There Was a Drop in Total Cigars of All Classes; Cigarettes Increased Only About Two-thirds of 1 per cent

CIGARETTES increased less than two-thirds of one per cent., and, although there were gains in Classes B, C and D, total cigars of all classes declined nearly 3 per cent. These are the high spots of September withdrawals for consumption, as reported in the Supplement to the *Tobacco Barometer,* issued by the Tobacco Merchants Association of the United States.

Cigars of all classes in the United States totaled 475,275,260, as compared to 486,864,568, a drop of 11,139,308, or 3.18 per cent. Philippine Islands withdrawals totaled 18,145,746, as compared to 22,054,472, a decrease of 3,908,726, or 17.72 per cent. Puerto Rico withdrawals totaled 115,950, as compared to 138,150, a loss of 22,200, or 16.07 per cent. The grand total was 493,986,956, as compared to 509,057,190, a decline of 15,070,234, or 2.96 per cent.

Largest volume decrease was in Class A cigars in the United States. The total was 418,242,680, as compared to 431,980,525, a difference of 13,737,845, or 3.18 per cent. P. I. withdrawals showed a loss of 3,949,750, or 17.97 per cent., while P. R. showed a gain of 2750. The total was 436,327,760, a decline of 17,684,845, or 3.9 per cent.

Class B cigars in the U. S. totaled 4,080,270, as compared to 3,821,930, a gain of 258,340, or 6.76 per cent. P. I. and P. R. losses reduced this gain to 224,033, or 5.75 per cent.

Class C cigars in the U. S. totaled 49,023,954, as compared to 47,466,354, an increase of 1,557,600, or 3.28 per cent. Gains in P. I. and P. R. withdrawals raised this gain to 1,622,042, or 3.41 per cent.

Largest percentage increase was in Class D cigars. Total withdrawals in the U. S. were 3,990,774, as compared to 3,158,119, a gain of 832,655, or 26.37 per cent. A drop in P. I. withdrawals reduced this to a net gain of 822,405, or 25.86 per cent.

Class E cigars in the U. S. totaled 387,582, as compared to 437,640, a decrease of 50,058, or 11.44 per cent. P. I. withdrawals lost 3811, for a total decline of 53,869, or 12.06 per cent.

Little cigars declined 3,177,587, or 22.54 per cent.

Cigarettes in the U. S. totaled 14,889,814,717, as compared to 14,789,904,810, a gain of 99,909,907, or 0.68 per cent.

Large cigarettes showed the largest percentage of loss, 83.16 per cent. in the U. S.

Following are the comparisons:

Product	September, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A:				
United States	418,242,680	—	13,737,845	3.18
Philippine Islands	18,029,330	—	3,949,750	17.97
Puerto Rico	55,750	+	2,750	....
Total	436,327,760	—	17,684,845	3.90
Class B:				
United States	4,080,270	+	258,340	6.76
Philippine Islands	31,850	—	7	....
Puerto Rico	10,200	—	34,300	....
Total	4,122,320	+	224,033	5.75
Class C:				
United States	49,023,954	+	1,557,600	3.28
Philippine Islands	67,046	+	55,092	....
Puerto Rico	50,000	+	9,350	....
Total	49,141,000	+	1,622,042	3.41
Class D:				
United States	3,990,774	+	832,655	26.37
Philippine Islands	12,400	—	10,250	....
Puerto Rico	.....		.....	....
Total	4,003,174	+	822,405	25.86
Class E:				
United States	387,582	—	50,058	11.44
Philippine Islands	5,120	—	3,811	....
Puerto Rico	.....		.....	....
Total	392,702	—	53,869	12.06

Product	September, 1940		Increase or Decrease Quantity	Per Cent.
To All Classes:				
United States	475,725,260	—	11,139,308	2.29
Philippine Islands	18,145,746	—	3,908,726	17.72
Puerto Rico	115,950	—	22,200	16.07
Grand Total	493,986,956	—	15,070,234	2.96
Little Cigars:				
United States	10,917,133	—	3,177,587	22.54
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	10,917,133	—	3,177,587	22.54
Cigarettes:				
United States	14,889,814,717	+	99,909,907	0.68
Philippine Islands	400	—	192,500	....
Puerto Rico	390,240	+	380,940	....
Total	14,890,205,357	+	100,098,347	0.68
Large Cigarettes:				
United States	37,122	—	183,318	83.16
Philippine Islands	480	+	480	....
Puerto Rico	47,000	+	11,400	32.02
Total	84,602	—	171,438	66.96
Snuff (lbs.):				
All United States	2,848,874	—	100,614	3.41
Tobacco (Chewing and Smoking) lbs.:				
United States	25,879,985	—	1,531,867	5.59
Philippine Islands	.....		.....	....
Total	25,879,985	—	1,531,867	5.59

1940 Cigar Gains Near Vanishing Point

U. S. Withdrawals Show Decline for Nine Months, but Philippine Islands' Are Up; Cigarettes Gain; Other Products Lose

IF it were not for a substantial increase in Philippine Islands cigars, cigarettes alone would have registered an increase during the first nine months of this year. As it was, cigars of all classes pulled through to the credit side of the ledger with a scant gain of five one-hundredths of one per cent. There were, however, gains in the total of Classes C, D and E, but a gain in U. S. withdrawals alone in Classes C and D only. These are the highlights of the monthly report issued by the Tobacco Merchants Association of the United States in its Supplement to the *Tobacco Barometer.*

All classes of cigars in the U. S. totaled 3,914,771,749, as compared to 3,923,862,242, a decrease of 9,090,493, or 0.23 per cent. The P. I. total was 159,759,281, as compared to 148,497,603, an increase of 11,261,678, or 7.58 per cent. The P. R. total was 931,900, as compared to 1,182,240, a drop of 250,340, or 21.18 per cent. Grand total was 4,075,462,930, as compared to 4,073,542,085, a gain of 1,920,845, or 0.05 per cent.

Class A cigars in the U. S. totaled 3,532,475,285, as compared to 3,547,335,645, a decline of 14,860,360, or 0.42 per cent. The P. I. total was 159,032,710, as compared to 147,965,955, a rise of 11,066,755, or 7.48 per cent. P. R. withdrawals dropped 288,340. Class total was 3,692,025,645, as compared to 3,696,107,590, a loss of 4,081,945, or 0.11 per cent.

Class B cigars in the U. S. totaled 28,563,891, as compared to 29,019,459, a loss of 455,568, or 1.57 per cent. A P. I. gain of 34,925 and a P. R. drop of 5300 had the net result of reducing the loss to 1.46 per cent.

Class C cigars in the U. S. totaled 328,008,220, as compared to 322,532,104, an increase of 5,475,116, or 1.7 per cent. P. I. and P. R. gains increased this to 1.71 per cent.

Class D cigars in the U. S. totaled 23,511,997, as compared to 22,677,987, an increase of 3.68 per cent. P. I. and P. R. losses reduced this to 2.85 per cent.

Class E cigars in the U. S. totaled 2,212,356, as compared to 2,297,047, a loss of 84,691, or 3.69 per cent. A jump in P. I. withdrawals from 22,752 to 357,780, converted this into a gain of 250,337, or 10.79 per cent.

Cigarettes in the U. S. totaled 136,052,616,636, as compared to 129,818,018,080, a gain of 6,234,598,556, or 4.8 per cent., which P. I. and P. R. losses did not materially change.

Following are the comparisons:

Product	1st 9 Mos. Cal. Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A:				
United States	3,532,475,285	—	14,860,360	0.42
Philippine Islands	159,032,710	+	11,066,755	7.48
Puerto Rico	517,650	—	288,340	....
Total	3,692,025,645	—	4,081,945	0.11
Class B:				
United States	28,563,891	—	455,568	1.57
Philippine Islands	89,862	+	34,925	....
Puerto Rico	162,400	—	5,300	....
Total	28,816,153	—	425,943	1.46
Class C:				
United States	328,008,220	+	5,476,116	1.70
Philippine Islands	211,238	+	5,180	....
Puerto Rico	251,850	+	44,800	....
Total	328,471,308	+	5,526,096	1.71
Class D:				
United States	23,511,997	+	834,010	3.68
Philippine Islands	67,691	—	180,210	....
Puerto Rico	.....	—	1,500	....
Total	23,579,688	+	652,300	2.85
Class E:				
United States	2,212,356	—	84,691	3.69
Philippine Islands	357,780	+	335,028	....
Puerto Rico	.....		.....	....
Total	2,570,136	+	250,337	10.79

Product	1st 9 Mos. Cal. Yr. 1940		Increase or Decrease Quantity	Per Cent.
To All Classes:				
United States	3,914,771,749	—	9,090,493	0.23
Philippine Islands	159,759,281	+	11,261,678	7.58
Puerto Rico	931,900	—	250,340	21.18
Grand Total	4,075,462,930	+	1,920,845	0.05
Little Cigars:				
United States	94,593,635	—	28,206,032	22.97
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	94,593,635	—	28,206,032	22.97
Cigarettes:				
United States	136,052,616,636	+	6,234,598,556	4.80
Philippine Islands	193,970	—	892,197	....
Puerto Rico	2,441,380	—	1,618,150	....
Total	136,055,251,986	+	6,232,088,209	4.80
Large Cigarettes:				
United States	1,177,915	—	666,671	36.14
Philippine Islands	3,755	+	3,634	....
Puerto Rico	147,800	—	12,500	....
Total	1,329,470	—	675,537	33.69
Snuff (lbs.):				
All United States	28,183,072	—	361,893	1.27
Tobacco (Chewing and Smoking) lbs.:				
United States	225,940,135	—	3,578,502	1.56
Philippine Islands	47	—	517	....
Total	225,940,182	—	3,579,019	1.56

HEAVY RADIO BILLINGS

TOBACCO advertisers are entering their heaviest winter on CBS air with the largest nine-month total billings ever recorded behind them, $4,814,450 for January-September, 1940, an increase of 28.7% over $3,740,285, the January-September 1939 total (and the previous record). Columbia's slate of present ten major evening tobacco programs will undoubtedly catapult 1940 billings to the highest in CBS history—and in all network history.

In 1928, the tobacco industry spent $387,030 for time on the Columbia network. In 1939, the industry spent $5,297,181.

In that decade, radio outgrew its swaddling clothes and developed into a major advertising medium. With the growth of commercial radio generally and the growth of CBS in particular, tobacco advertising on the air mounted higher and higher and radio commanded more and more of the tobacco advertiser's budget.

But the increase in exepnditures is only half, and perhaps the less interesting half, of the tobacco-radio story of the last few years. Increased billings have been reflected in increased sales—one of the most remarkable economic phenomena of the 'thirties. Starting in 1933, sales of cigarettes in billions have boomed from 111.9 to 172.4 in 1939, while network time expenditures for cigarettes mounted from $2,328,000 in 1933 to $9,048,819 in 1939.

CBS in 1937 and 1939 cleared $5,000,00 in tobacco time billings. Of the ten best-selling brands in 1939, eight sponsored network programs on CBS during the year including the seven top-selling brands. Raleigh cigarettes, which had a sharp upswing that almost doubled its sales in 1939, simultaneously had a six-evenings-a-week new program on CBS during the last quarter of 1939. And Columbia's tobacco billings for the first six months of 1940 were $3,176,051—16.9 per cent. more than 1939's record six-month total.

SITUATION IN NETHERLANDS

There have been no imports of cigarette-leaf tobacco into The Netherlands since May 10, 1940, and Netherland factories are manufacturing from stock that they held prior to the invasion, according to reports reaching the Office of Foreign Agricultural Relations. If present stocks are exhausted before hostilities cease, the manufacturers will probably have no other choice than to use Bulgarian, Greek, and Turkish tobacco, which can be brought overland through Germany. This situation will result in a reversal of the trend in recent years to increase consumption of American leaf in place of Oriental.

Between 1930 and 1938, the Netherland consumption of blended cigarettes, that contain large portions of American leaf, increased from 5 per cent. of total cigarettes consumed to 61 per cent. Consumption of straight flue-cured cigarettes decreased from 30 to 18 per cent., but cigarettes from Oriental leaf declined from 65 to 21 per cent. during the period.

NEW OLD GOLD PROGRAM

The P. Lorillard Company now presents a twice-weekly program featuring the Texas Rangers over seven stations of the Columbia Pacific Network. The series, which also stars Martha Mears, is heard each Wednesday and Friday and advertises Old Gold cigarettes.

CIGARETTE FACTORY INCREASES

Manufacturers of cigarettes reported slight increases in employment, wages, and production for 1939 as compared with 1937, according to preliminary figures compiled from returns of the Census of Manufactures for 1939 recently released by Director William Lane Austin, Bureau of the Census, Department of Commerce.

This industry, as constituted for census purposes, embraces establishments primarily engaged in the manufacture of cigarettes.

The 1939 Census of Manufactures is the first census for which employees of cigarette factories who were primarily engaged in distribution, construction, etc., activities have been called for separately on the schedules. It is not know how many of the wage earners reported for 1937 were engaged in distribution and construction and how many were engaged in manufacturing. Employees of the plants reported as engaged in distribution and construction activities in 1939 are not included in this preliminary report but will be included in the final report.

The wage earners primarily engaged in manufacturing in this industry in 1939 numbered 27,426, an increase of 4.9 per cent. compared with 26,149 reported for 1937, and their wages, $26,067,632, exceeded the 1937 figure, $24,182,395, by 7.8 per cent.

The value of products of the industry for 1939 amounted to $1,037,747,517, which shows an increase of 7.1 per cent. compared with $968,926,917 reported for 1937.

DAVID MORRIS

David Morris, long identified with Charlie Bond in promotion of Philippine tobacco products in this country, passed away in Washington, D. C., October 18th, at the age of 71.

He entered Mount Alto Hospital, in the District of Columbia, last September 21st. While receiving treatment for sinus trouble, he suddenly died of heart failure.

A veteran of the Spanish-American War, having served in the Philippines for several years after civil government was duly established, he became an employee of the Philippine Government, serving in various capacities, as a field agent of the Manila Tobacco Agency of New York, and later of the Philippine Tobacco Agency of Washington.

Interment was arranged by Resident Commissioner J. M. Elizalde with the Veterans Bureau. He was buried with military honors at the National Cemetery at Arlington, Va.

Surviving him is a brother, Elmer L. Morris, who lives in Fortuna, California.

POLAND CIGARETTE OUTPUT

Extensive investigations made by Germany agencies in the portion of Poland occupied by Germany indicate that the region can supply about 75 per cent. of its cigarette-tobacco requirements, according to a report in a recent issue of the Southern German Tobacco Gazette. Investigations, that include a study of experience gained in past years and experiments conducted during the current season, indicate a possibility of expanding the production of American-type flue-cured tobacco. Approximately 4400 acres of flue-cured leaf were grown successfully in the area in 1940 as compared with about 2200 acres in 1939.

Tobacco Crop Below 1939 Record Mark

THE October 1 indicated production of all types of tobacco combined was 1,268,912,000 pounds which is an increase of about 2 per cent. over the September 1 forecast, but is materially below the 1939 crop of 1,848,654,000 pounds of tobacco which was the largest ever produced in this country. The 10-year (1929-38) average production of tobacco is 1,360,661,000 pounds. With the exception of cigar wrappers all classes of tobacco had prospective yields on October 1 that were higher than those indicated a month earlier.

The October 1 estimated production of 661,855,000 pounds of flue-cured tobacco is up about 3 per cent. from the September 1 estimate as favorable weather during the month raised the prospective yield about 25 pounds per acre. Even so, a crop of this size would be only about 57 per cent. as large as the 1939 record high flue-cured crop of 1,159,320,000 pounds. The reduction in plantings, made in recognition of the poor export market outlook and to comply with A. A. A. regulations, combined with an indicated yield, which is about 21 pounds per acre less than that secured in 1939, to decrease flue-cured production to the smallest since the 1934 crop. Flue-cured tobacco in North Carolina, which usually produces more than two-thirds of the crop, was subjected to unusual extremes of weather during the season. Low temperatures prevailed at planting time, followed by a period of very dry weather, then by a record heat wave and finally by torrential rains. In South Carolina as well as in Georgia and Florida a flue-cured crop was harvested that weighed much more per acre than had generally been anticipated. Some flue-cured crops in Virginia were lost by floods but others were benefited by the accompanying rains and as a consequence the outlook for tobacco in the Old Belt improved during September.

The October 1 estimate of 95,948,000 pounds of dark fired tobacco is slightly higher than the September 1 figure primarily because of improvement shown in the condition of the Virginia dark fired tobacco. Estimates for the other fired types remained practically unchanged with small increases in Kentucky which were largely offset by a compensating decrease in type 22 in Tennessee. Type 23 (Paducah Mayfield) was left in the field quite late and it is reported that perhaps a third of the Hopkinsville-Clarksville dark fired tobacco was still not cut on October 1. If present prospects materialize this year's production of dark fired types of tobacco would be slightly larger than the 1939 crop of 95,604,000 pounds but would be only about 71 per cent. as large as the 10-year average production.

All States producing Burley tobacco reported improvement in prospective yields of the crop during September and as a consequence the production is now estimated at 311,846,000 pounds compared with 309,570,000 pounds a month earlier. A crop of this size, however, would be about 21 per cent. less than the large 1939 crop and about 3 per cent. less than the 1929-38 average production. In Kentucky, where normally about 70 per cent. of all Burley tobacco is produced, the crop this year made very irregular growth. Many fields were set late and these in particular suffered from the very dry weather which prevailed during most of the summer. However, rains in late August and early September over most of the Burley tobacco area of Kentucky caused late growth and apparently added many pounds to the crop. Drought conditions in middle Tennessee are responsible for poor yields in that territory while most of East Tennessee has an unusually good crop. It appears that good Burley tobacco yields were secured this season in North Carolina, Virginia and Missouri, but that drought damaged Burley crops in Ohio, Indiana and West Virginia resulting in lower yields for those States.

Kolodny Stumps for 1941 Convention

JOSEPH KOLODNY, executive secretary of the National Association of Tobacco Distributors, made a whirlwind airways tour of the Northwest and Rocky Mountain States early in October. He attended a series of six one-day State-wide conferences in a period of six days. The meetings were in Oregon, Washington, Montana, Wyoming, Utah and Colorado. Topics and problems relating to the new Interstate Commerce Commission regulations over private motor carriers; wage and hour rulings affecting distributors; national defense; unfair and fair trade practice statutes, and a variety of subjects pertaining to the local problems of the distributors were considered at each of the six meetings.

Mr. Kolodny also took occasion to urge the hundreds of distributors whom he addressed in the course of his lightning trip, to attend the Ninth NATD Convention at Chicago next January. The large numbers who heretofore have not seen fit to make the long journey to the scenes of the convention declared their intention of being present at the next conclave. Mr. Kolodny said that the wholesalers expressed the keenest interest in the model tobacco distributing house which will be operated during the 1941 convention and predicted that the most representative houses in the Western areas would provide a very substantial bloc of attendance.

The Oregon meeting was held at the Multnomah Hotel, Portland, with George Fick, Fick Cigar Company, Portland, as chairman. The second meeting was held at the Olympic Hotel, Seattle, Washington, presided over by George Hubbard, secretary of the Washington Wholesale Candy & Tobacco Distributors Association, Seattle.

At the meeting held in Casper, Wyoming, at the Henning Hotel, W. F. Clark of the Ryan Sheridan Company, Sheridan, Wyoming, acted as chairman. The next meeting was held at the Finlen Hotel, Butte, Montana, with J. B. Busey, Missoula Mercantile Company, Missoula as chairman. The meeting at Hotel Utah, Salt Lake City, had John R. Moser, Hemenway Moser Company, Salt Lake City, as chairman. The last in the series of meetings was in Denver, Colorado, at the Brown Palace Hotel, with Charles Flaks, Flaks, Inc., Denver, as chairman.

Details of U. S. Tobacco Crop

THE total 1940 tobacco crop in the United States, as indicated September 1st, is 1,241,700,000 pounds—a decrease of 32.8 per cent. from the record 1939 crop of 1,848,700,000 pounds. The largest part of the decrease is in the flue-cured crop, which totaled 1,159,300,000 pounds in 1939, but is estimated at only 643,000,000 pounds this year—a decrease of 44.5 per cent.

Flue-cured prices so far this season for all types and practically all grades have been higher than in 1939. These price increases are attributable in large measure to the current and three-year program (1941-43) of the Agricultural Adjustment Administration and the purchase and loan program of the Commodity Credit Corporation. Funds are again being advanced by the Commodity Credit Corporation for the purchase of part of the flue-cured crop normally taken by British interests.

Funds are also being advanced to exporters in the United States who buy for export to other countries which are unable to import normal amounts because of the war. These activities are designed to eliminate the surplus of flue-cured tobacco brought about by the record 1939 crop and the abnormally small exports. The 1940 supply of flue-cured is 2053 million pounds, a reduction of more than 50 million pounds from the record 1939 supply of 2106 million pounds.

The flue-cured marketing quota for 1941 has been proclaimed at 618 million pounds, which is the same as the 1940 quota. State acreage allotments will be approximately the same as those of 1940.

Flue-cured exports during July and August, 1940, totaled 23,389,000 pounds—39 per cent. below those for July and August, 1939. Of this amount 9,496,000 pounds were exported to the United Kingdom and 6,379,000 pounds to China. Present prospects for any immediate improvement in the export situation are not encouraging.

Supplies of Burley and of Maryland tobacco are a little below those of 1939. Maryland exports for the first eight months of 1940 are less than half those for the corresponding period in 1939.

Tax-paid withdrawals of cigarettes have been increasing. Withdrawals for the 2 months, July-August, 1940, totaled 32 billion cigarettes—3 per cent. above the same two months in 1939. The increased industrial activity brought about by the National Defense Program may be expected to result in a continued moderate upward trend in cigarette consumption, which will probably increase somewhat the domestic consumption of flue-cured, Burley, and Maryland.

Both domestic consumption and exports of dark tobaccos continue to decline. Supplies are expected to be above those of 1939.

The 1940 supply of domestic cigar leaf will approximate 409 million pounds—a little more than the 1939 supply. The July-August (1940) tax-paid withdrawals totaled 981 million cigars—an increase of 1.2 per cent. over the same two months in 1939. A continued moderate increase in cigar consumption may be in prospect.

Flue-cured markets opened on scheduled dates. Prices received by growers to date are considerably above those of the preceding year, in spite of the fact that the total flue-cured supply as of July 1, 1940, is only 2.5 per cent. below the record supply a year earlier of 2,105,600,000 pounds.

The Georgia-Florida markets for type 14 opened August 8th. Sales were heavy in volume on the opening day but not all warehouses were full as on the opening day in former years, probably because of some skepticism concerning prices in the face of the near-record supply. With prices turning out to be higher than had been expected during the first week, growers rushed their tobacco to market, and capacity sales continued until near the close of the markets. Producers' sales for the season in Georgia and Florida totaled 87,178,972 pounds, or 97 per cent. of the total type 14 flue-cured crop of 89,675,000 pounds estimated by the Crop Reporting Board as of September 1st. Of the total producers' sales, 79,246,276 pounds were marketed in Georgia and 7,932,696 pounds in Florida. Prices received for all grades of type 14 were higher this year than in 1939. The average price received for all sales was 15.6 cents per pound. Most of the markets for type 14 closed on August 27th and 28th; the last market closed on August 30.

The South Carolina and North Carolina markets for type 13 opened August 20. First-hand sales during August totaled 53 million pounds, or 42 per cent. of the crop as estimated September 1, at an average price of 18.4 cents. This compares with sales in August 1939 of 157 million pounds, or 69 per cent. of the large 1939 crop, at an average price of 16.4 cents.

Eastern North Carolina markets for type 12 opened September 3 with prices higher in most instances than those received during the opening week of the 1939 marketing season. The 1940 crop of type 12 indicated September 1 is 213,840,000 pounds, which is about one-half as large as the 1939 crop. The average for the 1939 crop was 15.4 cents per pound.

Middle Belt markets for type 11b opened September 17 with practically all grades selling at higher averages than on the opening day in 1939. The bulk of the sales on the opening day ranged from 12 cents to 27 cents per pound, with the largest increases in the fair to fine quality lugs and primings. The volume of sales during the opening week was smaller than the volume last year, largely because of the smaller crop.

The Old Belt markets for type 11a opened September 24 with prices on the opening day considerably above those of last year, an unofficial estimate of the average being slightly more than 20 cents. Prices since the opening day have been on a slightly lower level. First sales in this area in 1939 averaged about 15.5 cents.

Heavy rains and floods in August reduced both the quantity and quality of the 1940 flue-cured crop. The damage was probably greater in South Carolina and Eastern North Carolina than in the Middle and Old Belts.

Prices for all flue-cured types so far this season have been above those received last season. These increases in prices are probably attributable in large measure to the 3-year program of the Agricultural Adjustment Administration designed to reduce the present surplus stocks brought about by the 1939 record flue-cured crop and current abnormally small exports.

The Commodity Credit Corporation is again advancing funds for the purchase of part of the flue-cured leaf which normally has been taken by the United Kingdom. Funds are also being advanced to tobacco companies of the United States who buy for export to countries now unable to import normal amounts because of the war.

Purchases of the 1939 flue-cured crop for British account reached 173,779,000 pounds. The British option, which extends to July 1, 1941, has not been exercised on 161,456,000 pounds of this total.

The record flue-cured crop of 1,159,320,000 pounds brought growers $172,247,000. With the higher prospective level of prices for the 1940 crop, the much smaller 1940 production of 643,035,000 pounds indicated September 1 is expected to bring returns approximating $110,000,000.

Following the flue-cured referendum held July 20, 1940 when 86 per cent. of the growers voting favored the adjustment program for the 3 years 1941-43, a marketing marketing quota of 618 million pounds was proclaimed for 1941. State acreage allotments for the 1941 flue-cured crop will be essentially the same as those for 1940, which were as follows: Alabama 500 acres; Florida 13,700 acres; Georgia 73,300 acres; North Carolina 510,244 acres; South Carolina 85,418 acres; Virginia 77,400 acres.

Tax-paid withdrawals of 15,913 million cigarettes in July 1940 represented an increase over the same month in 1939 of 11.6 per cent. Withdrawals in August 1940 totaled 15,840 million cigarettes, a decrease of 4.4 per cent. from withdrawals of the same month of the previous year. Total July-August withdrawals in 1940 were 3 per cent. above those of July-August 1939. It appears probable that domestic demand will be improved further by the increased industrial activity resulting from the defense program. A minor factor contributing to increased consumption may be the increased number in military service.

The United Kingdom has devised tentative plans for restricting tobacco consumption. The control plan provides that (1) withdrawal of leaf from bonded warehouses in 1941 for the production of all tobacco products (cigars excepted) will be limited to 90 per cent. of withdrawals during the 12 months ended March 31, 1940; (2) during 1941 manufacturers will include 4 per cent. of Turkish or Greek tobacco in all present mixtures, and 8 per cent. after 1941; (3) individual manfuacturers will pool all stocks of leaf in excess of their average supply, such excess stocks to be made available to manufacturers who have less than their average supply; and (4) all advertising of cigarettes as "pure Virginia" will cease.

About 99 per cent. of all cigarettes sold in the United Kingdom have been made entirely of flue-cured, and the greater part of the flue-cured used was of United States origin. The restriction regarding the use of the words "pure Virginia" in advertising probably will be conducive to the use of more Empire-grown flue-cured, which in some cases is lower in price and also from 40 to 50 cents per pound cheaper than American flue-cured because of the preferential tariff.

(Continued on Page 12)

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CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
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The sure test of a GOOD GIFT is that it must please . . . . . and there is no other gift that pleases a man more than a box of Manila cigars . . . . . that's why fastidious men and women who wish to please their loved ones prefer Manila cigars that come in various and exquisite holiday wrappings. You, Mr. Dealer, be ready for the holiday rush by buying your supply of Manilas now.
For particulars about Manilas write to
THE PHILIPPINE TOBACCO AGENCY
2362 Massachusetts Avenue, N. W., Washington, D. C.

CANADIAN GROWTH REDUCED

A REDUCTION of more than half in the Canadian tobacco crop this year serves to adjust the excessive leaf supplies in that country to the level of domestic consumption and export outlets, the Office of Foreign Agricultural Relations of the Department of Agriculture reports in its weekly publication, Foreign Crops and Markets.

Record tobacco stocks and declining prices in the spring of 1940 caused Canadian growers to reduce their acreage approximately 26 per cent. Early season hail followed by frost in August and September destroyed a large part of the crop. As a result the 1940 production of all types amounted to only 46 million pounds compared with the record 1939 crop of 108 million pounds.

Flue-cured production in 1940 amounted to only 25 million against 80 million pounds in 1939. The burley crop amounted to 11 million against 15 million pounds the year before. All other types combined stood at 10 million compared with 13 million pounds in 1939.

The carry-over in Canada on October 1, 1940, reached an all-time record of 111 million pounds compared with 75 million pounds on October 1, 1939. Among the reasons given for the large carry-over are the record 1939 crop, reduced exports during 1939-40 because of British exchange restrictions, and some increase in the imports of United States flue-cured leaf for the purpose of building up reserves from the low-price 1939 American crop.

The low 1940 crop and an expected import of 4 million pounds, combined with the record October 1 carry-over now indicates a total 1940-41 supply of 155 million pounds. This compares with the record supply of 173.4 million pounds in 1939-40 and with the average of 125.1 million pounds for the 5-year period ended with 1938-39.

Exports during 1940-41 are not expected to exceed the 12 million pounds shipped last season. However, an increase is expected in domestic consumption because of increased industrial and military activities. Canadian tobacco consumption in 1939-40 amounted to about 51 million pounds compared with 47 million in 1938-39.

Total disappearance during the current 1940-41 marketing season is forecast at 67 million pounds compared with 62 million in 1939-40. This would leave a carry-over on October 1, 1941, of 88 million pounds. Although such a carry-over would be somewhat above the average of recent years it would be 23 million pounds below that of October 1940.

BULGARIAN CROP SOLD

Most of the large 1939 Bulgarian tobacco crop, recently estimated at approximately 88 million pounds as compared with 48 million in 1938, had been sold by July, 1940, at prices substantially above those of the previous year. Takings by Germany were expected to equal those in 1939 of approximately 46 million pounds, according to reports reaching the Office of Foreign Agricultural Relations. Purchases from farmers by local exporters and dealers amounted to approximately 57 million pounds, the Bulgarian Agricultural and Co-operative Bank obtained 14 million, and tobacco cooperatives 6 million pounds. Approximately 11 million pounds of better grades remained unsold. Germany, including Austria, is reported to have already acquired nearly 20 million pounds of the leaf bought by exporters and merchants, and is expected to obtain an additional 26 million pounds. American buyers are reported to be in the market for from 3 to 4 million pounds, and Italian, French, and Russian agencies will purchase most of the remaining export supplies. It is reported that the leaf sent to Russia is in part, at least, to be exchanged for iron bars to be used as reinforcement in cement construction. Prices during the 1940 selling season for high-grade leaf averaged about 15 per cent. above those in 1939, and for low grades 30 per cent.

CHINA TAXES INCREASED

National cigarette taxes in China, which were first put into effect in 1928, have again been increased. This is the seventh increase in the taxes, and is the first since the Japanese occupied a large part of the country, according to a radiogram from American Agricultural Attache Owen L. Dawson at Shanghai. The progressive increase in the taxes has been one of the major factors in causing manufacturers in China to shift from the use of American leaf to cheap Chinese leaf, and it is anticipated that the recent increase will again curtail the use of American. The tax increases include separate rates for northern China, the Shanghai area including Kiangsu, Chekiang, and Anhwei Provinces, and free China or the portion of the country still under the control of the Chungking Government. The increases for the Shanghai area, which now comprises the outlet for most of the cigarettes containing American leaf, range from 25 per cent. to over 50 per cent. Cigarette manufacturers have made protest against the increases, as they are already operating near a cost basis and under present circumstances cannot obtain ample supplies of cheap Chinese leaf to substitute for American.

SUMATRA LEAF SALES

The Sumatra Tobacco Estate Companies now plan to hold sales of American grades of the 1940 Sumatra cigar-wrapper crop in the United States. If the proposal is carried out, the leaf will be shipped to the United States immediately following curing, the first consignments probably arriving in November or December, and plans will be made for holding auctions or otherwise disposing of the leaf, according to American Consul John B. Ketcham at Medan. The 1940 Sumatra crop, which is now in the process of curing, is of better quality than was previously expected, and it is estimated that over 2 million pounds of the 27-million-pound total will be suitable for the American market. Imports of the leaf into the United States during the five years 1935 through 1939 averaged 1.9 million pounds, and imports during the eight months, January through August, 1940, totaled 1.4 million pounds.

HOARDING BANNED

Hoarding of tobacco products, especially cigars, by retailers and consumers has caused Danish manufacturers to ration sales to retailers, according to reports reaching the Office of Foreign Agricultural Relations. It is estimated that leaf supplies in Denmark are sufficient for one year's normal output of products. Imports, however, including those from the United States which have averaged over 5 million pounds in recent years, have been cut off since the beginning of the blockade. It is anticipated that as long as the war lasts, available new supplies will be limited to leaf obtainable from countries in continental Europe.

● *Actual photograph— a fine lot of ripe, golden tobacco leaf.*

Luckies' finer tobaccos mean less nicotine!

FINER TOBACCOS—for you who smoke, those two words have a world of meaning.

First, they tell you why most independent tobacco experts smoke Luckies.

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Yes . . . authoritative tests reveal that for more than two years, the nicotine content of Luckies has been 12% less than the average of the four other leading brands . . . less than any one of them.★

You see, Luckies analyze tobacco before purchase. Thus our buyers can select the leaf that is not only rich and mellow, but milder—naturally low in nicotine.

The more you smoke, the more you want a cigarette of genuine mildness. So try Luckies for a week. Remember—with independent tobacco experts—buyers, auctioneers and warehousemen—with men who know tobacco best, it's Luckies 2 to 1.

★ **NICOTINE CONTENT OF LEADING BRANDS**

From January 1938 through June 1940, Lucky Strike has averaged
9.46% less nicotine than Brand A **15.55% less nicotine than Brand C**
20.55% less nicotine than Brand B **4.74% less nicotine than Brand D**
Lucky Strike's nicotine content averaged 2.01 parts per hundred.

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in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

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"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday and Sunday

Brown & Williamson Tobacco Corporation

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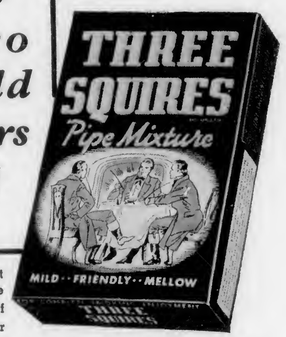
A "new" tobacco with old customers waiting for it!



THREE SQUIRES . . . built in three years to be the largest-selling brand of America's biggest mail-order pipe, tobacco and cigar house . . . is now released for general sale. It retails for 15c, for the foil pack, but fifty percent of present sales are on the 8-ounce and 16-ounce Metal Leva-Lift Canisters.

It will repeat the amazing success of the Original Rum & Maple Pipe Mixture Blend 53 five-fold because THREE SQUIRES sells for 15c. THREE SQUIRES is offered to you with a Large, Growing and Satisfied Following. Special Introductory Display Offer—1 FOIL PACK FREE WITH EACH DOZEN. If your jobber does not stock THREE SQUIRES yet, order direct.

THREE SQUIRES is a product of Westminster Tobacco Corp., a wholly-owned subsidiary of Rum & Maple Tobacco Corp.

RUM & MAPLE TOBACCO CORP. 104-V East 16th St. New York, N. Y.

DETAILS OF U. S. CROP

(Continued from Page 9)

These regulations, together with exchange restrictions, may cause some further curtailment of United States exports of flue-cured tobacco to the United Kingdom in the future. At present practically all European markets are closed, at least temporarily.

According to a late cable, flue-cured tobacco production in China, which earlier was expected to be 140 million pounds, is now estimated at about 112 million pounds, or about 8 million pounds below 1939 production. The reduced 1940 production is due to unfavorable weather, some disease infection, and also to some extent to insufficient use of fertilizer. However, in spite of the reduced flue-cured crop in China, United States exports to Oriental countries are not expected to equal the large exports of the year just past because of record productions in Manchuria and the Japanese Empire, expected exchange difficulties, and trade restrictions.

On July 24, 1940 the United Kingdom increased the duty on American leaf to 19s. 6d., or $3.93 per pound (conversion at official rate of exchange). This was the third increase since April 1939, and brings the tax on a pack of 20 full-sized cigarettes to about 20 cents, compared with the Federal tax of 6.5 cents per pack of 20 in the United States.

September indications are for a Burley crop of 309,570,000 pounds, or 7 per cent. less than the August estimate of 332,254,000 pounds and 22 per cent. below the 1939 crop of 394,798,000 pounds. Decreases have been quite general throughout the Burley area but by far the greatest decrease has occurred in Kentucky, where more than 65 per cent. of the Burley crop is grown.

The severe drought in August made it necessary to begin harvesting the Burley crop when plants were small and immature. General rains the last of August were beneficial to the part of the crop still remaining in the field. About one-third of the crop had been harvested by September 1. Present indications are that both the quantity and quality of the 1940 crop have been impaired.

It is reported unofficially that the Lexington market will open December 2 and the other Burley markets December 3. Prior to the opening of the markets, a Burley referendum probably will be held the latter part of November to determine whether or not marketing quotas will be in effect for the 1941 crop.

Production of Burley as of September 1, together with stocks estimated as of October 1, 1940, indicates an available supply of 1,065,600,000 pounds, which is only a little more than 1 per cent. below the 1939 supply of 1,078,900,000 pounds. For the first time since 1936, the Burley crop of 1940 estimated September 1 at 310 million pounds, is smaller than disappearance.

In line with the increased tax-paid withdrawals of cigarettes in July-August 1940, some increase in domestic consumption of Burley may be expected.

During the first 11 months of the marketing year beginning October 1939, 9,907,000 pounds of Burley were exported, which is 4.4 per cent. below the total for the same 11 months of the previous marketing year. Exports of Burley, principally to European countries, have totaled only about 10 or 11 million pounds annually. Any decrease in exports in the marketing year beginning October 1940 may be taken up by the probable increase expected in the domestic consumption of cigarettes. Estimated disappearance of Burley for 1939 is 323 million pounds.

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The September 1 production estimate of the 1940 Maryland tobacco crop is 27,405,000 pounds, considerably above estimates based on earlier conditions, but still 16 per cent. below the 1939 production of 32,500,000 indicated by sales of the 1939 crops. The 1940 yield of 725 pounds per acre is a substantial improvement over the July and August estimates of yield, which were respectively 640 and 700 pounds. This improvement in the 1940 Maryland crop is attributed almost entirely to the favorably growing conditions during August.

Stocks as of January 1, 1941 are now estimated at about 40 million pounds. The increase of 6 million pounds over the earlier estimate of 34 million pounds is due to greatly reduced exports and a larger 1940 crop than that indicated by earlier conditions.

Exports to Europe for the first 6 months of the calendar year 1940 totaled only 1,204,000 pounds. During July and August there were no exports to European countries and only 4,000 pounds to other countries. Prospects are not very good for any immediate improvement in the export situation.

It now appears that the 1941 supply of Maryland tobacco will be 67,400,000 pounds, about 2 per cent. below the 1940 supply of 68,800,000 pounds, but 2 per cent. above the 1934-38 average.

No doubt domestic consumption of Maryland tobacco will increase somewhat because of a probable further increase in cigarette consumption; however, it is not likely that the increase will be sufficient to offset an expected curtailment in exports.

All the auction markets of Southern Maryland closed on September 12. First-hand sales totaled 16,600,616 pounds, which is about 50 per cent. of the 1939 crop of 32,500,000 pounds indicated by sales. This is the second season in which auction floor sales have been conducted in Maryland. During this season new buyers were on the markets and purchases by firms represented last season were increased. Sales were conducted at six warehouses, one each at La Plata and Waldorf and two each at Upper Marlboro and Hughesville. A larger percentage of better quality leaf was offered this season, but since a large proportion of lower grades were also included, the total auction sales possibly do not reflect the average quality of the 1939 crop.

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Schedule of Rates for Trade-Mark Services Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

WIDENER ARCADE:—46,791. For cigars. Registered by Progress Cigar Co., Philadelphia, Pa., on May 22, 1940.

TRANSFERRED REGISTRATIONS

CUBAGRAND:—27,344 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered October 3, 1902, by Geo. Schlegel, New York, N. Y. Transferred to the Chicago Box Co., Chicago, Ill., and re-transferred to H. Fendrich, Inc., Evansville, Ind., on July 10, 1940.

ALMEDA:—8,523 (Tobacco Leaf). For cigars. Registered June 2, 1894, by Wiener & Greenwald, Philadelphia, Pa. Through mesne transfers acquired by R. W. Steber, Reading, Pa., and re-transferred to the Tunis Johnson Cigar Co., Grand Rapids, Mich., on October 9, 1940.

STEBER:—31,665 (Trade-Mark Record). For cigars and cigarettes. Registered January 2, 1906, by F. A. Steber & Co., Warren, Pa. Transferred to Tunis Johnson Cigar Co., Grand Rapids, Mich., in about 1937.

Internal Revenue Collections

September

Source of Revenue	1940	1939
Cigars	$ 1,186,127.19	$ 1,207,057.67
Cigarettes	48,453,980.00	44,371,946.64
Snuff	512,886.16	530,907.63
Tobacco, chewing and smoking	4,658,532.56	4,934,554.66
Cigarette papers and tubes	103,507.13	82,561.07
Leaf dealer penalties	.....	70.00

*Manufactured Tobacco Produced by Classes

(As reported by the Bureau of Internal Revenue, based on manufacturers' returns of production)

Month of July

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	4,521,480	+ 227,546	5.30
Twist	488,586	+ 83,585	20.64
Fine-cut Chewing	431,679	+ 31,391	7.84
Scrap Chewing	3,984,075	+ 895,668	28.99
Smoking	17,460,495	+ 2,199,488	14.41
Total	26,887,215	+ 3,437,678	14.66

Seven Months Ending July 31

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	28,570,502	— 1,311,024	4.39
Twist	3,199,895	— 9,600	0.30
Fine-cut Chewing	2,637,538	— 57,714	2.14
Scrap Chewing	24,569,539	+ 1,330,137	5.72
Smoking	115,583,396	+ 1,738,607	1.53
Total	174,560,870	+ 1,690,406	0.98

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

LITTLE JOHNNY GROWS

Philip Morris & Co., in the interest of its cigarettes, has added ten stations to its Johnnie Presents show over the Red Network, giving it a lineup of ninety-six stations. Program is heard Tuesdays at 8 P. M. The Biow Co., Inc., is the agency.

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THREE SQUIRES ANNOUNCED

Rum & Maple Tobacco Corporation announces the release for general distribution of Three Squires Tobacco—product of the Westminster Tobacco Corporation, a wholly-owned subsidiary. Three Squires in four years has been built up to be the largest-selling brand of the House of Westminster, Ltd., mail order retailer of pipes, cigars and tobaccos. Joint announcement by the House of Westminster, Ltd., and Rum & Maple Tobacco Corporation is expected to divert the present mail trade of Three Squires to the stores where it is sold.

Fifty per cent. of mail sales on Three Squires has been for the 8-ounce and 16-ounce canisters. National advertising copy is being released on Three Squires.

The procedure being followed on Three Squires is the same that resulted in success for Original Rum & Maple Pipe Mixture Blend 53, which also had the advantage of an established mail order success before being offered to the stores. Being a lower-priced item, the mail order sales of Three Squires are far greater than were those of Rum & Maple on its introduction over-the-counter. Consequently an even greater immediate demand is expected for the new brand in the stores.

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DECEMBER 1940

TOBACCO WORLD

ESTABLISHED 1881

BIGGEST CHRISTMAS SEASON PREDICTED

Confirming the forecast in this space last month, the National Retail Dry Goods Association is now on record with a prediction that this year will see the "greatest Christmas gift-giving season in the history of the Nation."

These wideawake retailers, whose ears are always to the ground, whose eyes are always peeled for trends, whose day-by-day records of sales are the basis of prognostications that sometimes seem uncanny, go on to prophesy that "the physical volume of merchandise exchanged this season will unquestionably be the heaviest on record."

Read the details in the editorial in this issue.

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Hobart B. Hankins—*Editor* *Business Manager*—B. S. Phillips

THE TOBACCO WORLD

Vol. 60 DECEMBER, 1940 No. 12

WE can't think of a greater service we could render to the tobacco industry and trade right now than to call attention to a press release just received from the National Retail Dry Goods Association. It ought to be music to the ears of all tobacco people to hear that, with more than 95,000,000 Americans celebrating the early Thanksgiving, the day after—November 22—was described as ushering in what is considered certain to become, from the standpoint of number of actual articles sold, the greatest Christmas gift-giving season in the history of the Nation.

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DOLLAR sales registered in the country's retail stores will, in most lines of retail trade, it was predicted, exceed the dollar volume of 1930 and come within shooting distance of the total sales volume of the boom year Christmas of 1929. But because retail prices this season are only slightly above a year ago, and considerably under the general price level of Christmas 1929, the physical volume of merchandise exchanged this season will unquestionably be the heaviest on record, according to the drygoodsmen.

▲

TAKING the department store field as a criterion, dollar sales in department, dry goods, general merchandise and apparel stores may be expected to total $1,350,000,000 during the four weeks from Thanksgiving to Christmas, figured on the basis of an anticipated sales increase of 8 per cent. for the four-week period. The Federal Reserve Index of department store sales for December 1940 may be expected, therefore, to climb to as high as 103, less than 6 per cent. under its record high of 110 in December 1929.

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MERCHANTS throughout the country have made preparations for handling record throngs of customers in view of the expected extraordinary rush of business. Between 250,000 and 300,000 Christmas extras will augment regular store staffs to serve the needs of the millions of shoppers. Retail delivery fleets will be heavily taxed throughout the four-week period. The most populous States—32 and the District of Columbia, with 95,250,000 residents in all—observed the earlier Thanksgiving on November 21, so that in most large cities the heavy rush of buying has been relieved by a longer shopping period. Stores will be enabled to render better customer service and eliminate some of the errors likely to be made by both retailers and customers in the mad rush of last-minute buying.

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THAT there will be some increase in luxury buying this Christmas seems likely, the dry goods association observed, but mainly the interest will be in regular holiday merchandise of a more or less practical nature. It is considered possible that a great many gifts this Christmas may be purchased for prospective military trainees or those already in service. Such items, say the drygoodsmen, as wrist watches, books, portable radios and stationery would prove popular for use in camp. (Boy, what a setup for cigars, cigarettes, pipes, smoking and chewing tobacco!) The old-fashioned Christmas theme will be strong in store promotions, and retailers in many communities are reporting increased budgets for community street lighting, parades and special events.

▲

THE record retail buying this Christmas will be a reflection of the generally rising tide of business activity and employment which began in 1939, and has been accelerated largely in recent months by the national defense program. The rise in Christmas Club savings this year to a total of $365,000,000, an advance of 4.5 per cent. over 1939, is indicative of the general trend and will be one of the strong contributing factors to the big Yule shopping period ahead.

▲

ALL this is not mere wishful thinking. Every business and industrial index points to the fulfillment of this prophecy. Steel production is running above 96 per cent. of ingot capacity—which steel men will tell you is the peak, since it is necessary to keep a furnace idle periodically, for reconditioning purposes. As for automobiles, both October and November set new all-time highs in both production and sales for those months. In some large cities—Philadelphia, for one—new records will be set this year in retail automobile sales, there being every indication at this writing that the 1940 retail automobile deliveries will exceed even those of the years 1929 and 1937. Any tobacco man—be he manufacturer, wholesaler or retailer—who cannot see the application of all this to his own business earns for himself the copyrighted title of Mr. Ostrich—you know, the bird that hides its head in the sand—and he deserves whatever is coming to him, you know where, while his more alert competitors are gleefully counting the profits from the biggest Christmas trade they have ever enjoyed.

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October Registered Substantial Gains

All Classes of Tobacco Products Showed Increases, with the Single Exception of Large Cigarettes; Cigars Up 5.86%

OCTOBER was a good month for the tobacco business. There were gains—and substantial ones, too—in every principal classification of tobacco products, the one classification decorated with a minus sign—large cigarettes—being too insignificant in volume to rank as a major exception to the general prosperity. These are the thoughts that are prompted by an analysis of October withdrawals for consumption as reported in the Supplement to the Tobacco Barometer of the Tobacco Merchants Association of the United States.

Total of all classes of cigars in the U. S. reached 583,508,410, as compared to 551,229,569, an increase of 32,278,841, or 5.86 per cent. Philippine Islands withdrawals showed a loss of 516,654, or 2.58 per cent.; Puerto Rico withdrawals increased 22,000, or 23.38 per cent. Grand total was 603,134,217, as compared to 571,350,030, an increase of 31,784,187, or 5.56 per cent.

Class A cigars in the U. S. totaled 504,259,330, as compared to 477,180,730, a gain of 27,078,600, or 5.67 per cent. P. I. withdrawals dropped 446,040, or 2.24 per cent., while P. R. withdrawals advanced 27,250. The total for the class was 523,811,285, as compared to 497,151,475, a rise of $26,659,810, or 5.36 per cent.

Class B cigars in the U. S. totaled 5,057,757, as compared to 4,711,923, a gain of 345,834, or 7.34 per cent. This gain was reduced, by P. I. and P. R. declines, to 334,461, or 7.04 per cent.

Class C cigars in the U. S. totaled 67,872,560, as compared to 62,896,214, an increase of 4,976,346, or 7.91 per cent. This gain for the class was shortened to 4,947,450, or 7.86 per cent., when the P. I. loss and the P. R. gain were figured in the total.

Class D cigars in the U. S. totaled 5,636,901, as compared to 5,475,290, a rise of 161,611, or 2.95 per cent., which became 144,011, or 2.62 per cent., when the P. I. loss of 17,600 was deducted.

Class E cigars in the U. S. totalled 681,862, as compared to 965,412, a drop of 283,550, or 29.37 per cent.—the only loss in the U. S. cigar classification, and a loss which was raised to 301,545, or 30.45 per cent. after the P. I. loss was added.

Cigarettes in the U. S. totaled 16,448,241,230, as compared to 15,384,360,207, an increase of 1,063,881,023, or 6.92 per cent. This was reduced only a matter of one-tenth of a point by P. I. and P. R. losses.

Little cigars gained 8.44 per cent.; snuff, 9.40 per cent.; chewing and smoking tobacco, 15.47 per cent. The loss in large cigarettes was 71.51 per cent.

Following are the comparative figures:

Product	October, 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	504,259,330	+	27,078,600	5.67
Philippine Islands	19,451,005	—	446,040	2.24
Puerto Rico	100,950	+	27,250	....
Total	523,811,285	+	26,659,810	5.36
Class B—				
United States	5,057,757	+	345,834	7.34
Philippine Islands	28,127	—	2,923	....
Puerto Rico	1,750	—	8,450	....
Total	5,087,634	+	334,461	7.04
Class C—				
United States	67,872,560	+	4,976,346	7.91
Philippine Islands	22,070	—	32,096	....
Puerto Rico	13,400	+	3,200	....
Total	67,908,030	+	4,947,450	7.86
Class D—				
United States	5,636,901	+	161,611	2.95
Philippine Islands	1,050	—	17,600	....
Puerto Rico	...		.....	....
Total	5,638,401	+	144,011	2.62
Class E—				
United States	681,862	—	283,550	29.37
Philippine Islands	7,005	—	17,995	.....
Puerto Rico	...		...	.....
Total	688,867	—	301,545	30.45
Total All Classes:				
United States	583,508,410	+	32,278,841	5.86
Philippine Islands	19,509,707	—	516,654	2.58
Puerto Rico	116,100	+	22,000	23.38
Grand Total	603,134,217	+	31,784,187	5.56
Little Cigars:				
United States	15,393,000	+	1,197,440	8.44
Philippine Islands	.....		.....	....
Puerto Rico	.....		.....	....
Total	15,393,000	+	1,197,440	8.44
Cigarettes:				
United States	16,448,241,230	+	1,063,881,023	6.92
Philippine Islands	65,800	—	58,600	....
Puerto Rico	270,000	—	227,100	....
Total	16,448,577,030	+	1,063,595,323	6.91
Large Cigarettes:				
United States	74,795	—	190,505	71.81
Philippine Islands	.....		.....	....
Puerto Rico	800	+	800	....
Total	75,595	—	189,705	71.51
Snuff (lbs.):				
All United States	3,567,501	+	306,444	9.40
Tobacco (Chewing and smoking) lbs.:				
United States	31,150,014	+	4,172,448	15.47
Philippine Islands	.....		.....	....
Total	31,150,014	+	4,172,448	15.47

Cigars Boost 1940 Increase Slightly

U. S. Withdrawals Show 0.52% Gain for 11 Months, but Philippine Islands Rise of 6.38% Brings Total up to 0.73%

FOR the first ten months of 1940, as compared to the corresponding period of last year, there were gains in the withdrawals of cigars, cigarettes, chewing and smoking tobacco; losses in little cigars, large cigarettes and snuff. Those are the highlights of the report for the period contained in the Supplement to the Tobacco Barometer, issued by the Tobacco Merchants Association of the United States.

Cigars of all classes in the U. S. totaled 4,498,280,159, as compared to 4,475,091,811, an increase of 23,188,348, or 0.52 per cent. Philippine Islands withdrawals showed a gain of 10,725,024, or 6.38 per cent. Puerto Rico withdrawals registered a drop of 228,340, or 17.89 per cent. Grand total was 4,678,597,147, as compared to 4,644,892,115, a gain of 33,705,032, or 0.73 per cent.

Class A cigars in the U. S. totaled 4,036,734,615, as compared to 4,024,516,375, a rise of 12,218,240, or 0.30 per cent. In spite of a P. R. loss of 261,090, this gain for the class was increased to 22,577,965, or 0.54 per cent., by a P. I. advance of 10,620,715, or 6.33 per cent.

Class B cigars in the U. S. totaled 33,621,648, as compared to 33,731,382, a loss of 109,734, or 0.33 per cent. A P. I. gain of 32,002 and a P. R. drop of 13,750 reduced the class decline to 91,482, or 0.27 per cent.

Class C cigars in the U. S. totaled 395,880,780, as compared to 385,428,318, an increase of 10,452,462, or 2.71 per cent. A P. I. loss of 26,916, and a P. R. gain of 48,000 served to raise the class gain to 10,473,546.

Class D cigars in the U. S. totaled 29,148,898, as compared to 28,153,277, a gain of 995,621, or 3.54 per cent. This was reduced to 796,311, or 2.80 per cent. P. I. and P. R. losses of 197,810 and 1,500 respectively.

Class E cigars in the U. S. totaled 2,894,218, as compared to 3,262,459, a decline of 368,241, or 11.29 per cent. A P. I. advance of 317,133 served to reduce this loss for the class to 51,208, or 1.55 per cent.

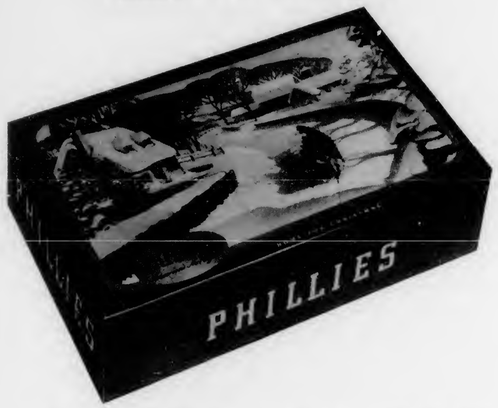
Cigarettes in the U. S. totaled 152,500,857,866, as compared to 145,202,378,287, an increase of 7,298,479,579, or 5.03 per cent. P. I. and P. R. losses reduced this only a matter of one-hundredth of one per cent.

Little cigars totaled 109,986,635, a drop of 27,008,592, or 19.71 per cent.; large cigarettes totaled 1,405,065, a decline of 865,242, or 38.11 per cent. snuff decreased 0.17 per cent.; chewing and smoking, 0.23 per cent.

Following are the comparative figures:

Product	1st 10 Mos. Cal. Yr. 1940		Increase or Decrease Quantity	Per Cent.
Cigars:				
Class A—				
United States	4,036,734,615	+	12,218,240	0.30
Philippine Islands	178,483,715	+	10,620,715	6.33
Puerto Rico	618,600	—	261,090	....
Total	4,215,836,930	+	22,577,865	0.54
Class B—				
United States	33,621,648	—	109,734	0.33
Philippine Islands	117,989	+	32,002	....
Puerto Rico	164,150	—	13,750	....
Total	33,903,787	—	91,482	0.27
Class C—				
United States	395,880,780	+	10,452,462	2.71
Philippine Islands	233,308	—	26,916	....
Puerto Rico	265,250	+	48,000	....
Total	396,379,338	+	10,473,546	2.71
Class D—				
United States	29,148,898	+	995,621	3.54
Philippine Islands	69,191	—	197,810	....
Puerto Rico	.....	—	1,500	....
Total	29,218,089	+	796,311	2.80
Class E—				
United States	2,894,218	—	368,241	11.29
Philippine Islands	364,785	+	317,033	....
Puerto Rico	.....		.....	....
Total	3,259,003	—	51,208	1.55
Total All Classes:				
United States	4,498,280,159	+	23,188,348	0.52
Philippine Islands	179,268,988	+	10,745,024	6.38
Puerto Rico	1,048,000	—	228,340	17.89
Grand Total	4,678,597,147	+	33,705,032	0.73
Little Cigars:				
United States	109,986,635	—	27,008,592	19.71
Philippine Islands	.....		.....	.....
Puerto Rico	.....		.....	.....
Total	109,986,635	—	27,008,592	19.71
Cigarettes:				
United States	152,500,857,866	+	7,298,479,579	5.03
Philippine Islands	259,770	—	950,797	....
Puerto Rico	2,711,380	—	1,845,250	....
Total	152,503,829,016	+	7,295,683,532	5.02
Large Cigarettes:				
United States	1,252,710	—	857,176	40.63
Philippine Islands	3,755	+	3,634	.....
Puerto Rico	148,600	—	11,700	7.30
Total	1,405,065	—	865,242	38.11
Snuff (lbs.):				
All United States	31,750,573	—	55,449	0.17
Tobacco (Chewing and Smoking) lbs.:				
United States	257,090,149	+	593,946	0.23
Philippine Islands	47	—	517	....
Total	257,090,196	+	593,429	0.23

PHILLIES FOR CHRISTMAS



The Phillies Christmas package for 1940 has been pronounced by those who have seen it the most beautiful cigar package yet produced by Bayuk. This is high praise, indeed, for Bayuk has long been known for its development of outstanding holiday packages, for use at such times as Father's Day, Labor Day, week-end holidays and Christmas. Year after year, these special wrappings have helped dealers sell more cigars by the box.

The new Phillies Christmas package reproduces a beautiful country snow scene entitled "Home for Christmas" in full color. The black-and-white illustration shown here by no means does justice to its attractiveness and sales-making appeal.

Needless to say, the package has been designed with a special eye toward display possibilities. Used in windows or on counters, either singly or as a mass display, it is sure to attract favorable attention and help make many sales of Christmas cigars by the box.

REYNOLDS XMAS PACKAGES

Heavy Christmas promotion and past sales records indicate that this year a host of holiday shoppers will show their preference for the unusually attractive gift packages of R. J. Reynolds Tobacco Company. Special Christmas advertising in magazines, newspapers, comic supplements, and radio is boosting Camels in the famous gift carton, and a special Christmas package of unique design. Prince Albert is being featured for pipe smokers in its own cheerful holiday wrappings.

The Camel gift carton, containing ten packs of "20's", 200 cigarettes, appears in bright holiday colors and includes a Christmas greeting card. Another special Christmas package of Camels contains four "flat fifties," 200 cigarettes. It is designed in the shape of a house covered with snow and holiday trimmings.

Prince Albert smoking tobacco, in the one-pound tin, is also a sure item on countless Christmas shopping lists. This favorite among pipe smokers comes in a colorful, eye-catching package that reflects the spirit of the season.

The real glass one-pound container of Prince Albert is also being pushed for the Christmas trade. It is actually two gifts in one since the glass humidor can be used long after the tobacco has been finished. This exceptional value also comes in a distinctive holiday dress.

For those holiday shoppers particularly interested in economy, the large one-pound tin of George Washington smoking tobacco is presented in a colorful holiday wrapping designed to attract maximum attention.

L. & M. XMAS CARTONS

Dealers will find real holiday sales makers in Liggett & Myers Tobacco Company's 1940 Christmas line. An attractive four-color folder just received features the beautiful gift cartons especially designed for this company's three leaders—Chesterfield Cigarettes, Granger and Velvet.

The new Chesterfield Christmas carton is in many ways the brightest and most unusual holiday wrapping this popular brand has ever had. Against the carton's brilliant winter background of white and blue, a pretty, laughing ski-girl holds aloft her own gift carton and asks "Do You Smoke The Cigarette That Satisfies." Her ski costume is an original design by Merry Hull, one of America's leading stylists who has made many Chesterfield creations. The same illustration is carried out in the carton of flat 50's, and it puts these two packages among the season's "most likely to succeed" gift buys.

Velvet and Granger also offer original Christmas packings that are sure to be presented proudly to many fathers, husbands and favorite boy friends. The young lady pictured in the folder seems well pleased with her purchases and well she might be. The Velvet carton is decorated with the painting of a beautiful snow scene, while Granger displays the picture of a hunter with his dog before an inviting fireplace. The young man who posed for the Granger picture is Ducky Medwick, famous Dodger baseball star.

Purchasers do not have to worry about extra gift wrappings because the attractive Chesterfield, Granger and Velvet cartons are handsome enough to put around any Christmas tree as is.

B. & W. ADDS STATIONS

The Brown & Williamson Tobacco Corporation has contracted for thirteen additional stations on the NBC Red Network for its "Wings of Destiny" program, giving the program a network of eighty-five stations. "Wings of Destiny," which features a unique prize contest in which a Piper Cub plane is given away each week, is heard Fridays from 10 to 10.30 P. M., EST. Two stations have already been added and the balance will go in the net work November 29 and December 6.

Plan Details for NATD Convention

THE program for the ninth convention of the National Association of Tobacco Distributors, which will take place at the Palmer House, Chicago, January 15th to 18th, 1941, is rapidly taking shape and promises to surpass any of the N. A. T. D. previous accomplishments, according to an announcement by Joseph Kolodny, executive secretary. The only difficulty the convention board is experiencing, said Mr. Kolodny, is in arranging to crowd in all the important features in a period of four days. The program is packed with interesting and exciting events, the climax of which will be operation of a completely equipped and fully stocked model tobacco distributing house.

"When we decided to undertake the project of building a model wholesale tobacco establishment, we realized that we were faced with a gigantic task," declared Mr. Kolodny. "The suggestion, however, met with such unanimous and enthusiastic approval, both on the part of distributors and manufacturers, that we determined to execute our plan as efficiently as possible, in order that the most up-to-date methods of distribution may be demonstrated in a practical manner.

"The blueprints have just been completed by the architect and the arrangement of the offices, stock rooms, etc., embodies ideas which were gathered by personal inspection of scores of well-managed wholesale establishments.

"The distributing house will be a model in two different respects," declared Mr. Kolodny. "The limitations of space will preclude the setting up of a full scale building, but the set-up will measure approximately 62 x 34 feet and allow ample room to do justice to each department of the business. The structure will be a model also by suggesting an ideal arrangement for efficient operation. The model house will contain executive and general offices, a reception and display room and a room for sales meetings. The layout includes separate departments for pipes and sundries, a cigar humidor and a candy department, as well as separate sections for receiving and shipping.

"Naturally, there are a thousand and one important details to dispose of before the project of the model distributing house can be completed," Mr. Kolodny continued, "but I sincerely believe that everyone who witnesses this establishment in operation in Chicago will agree that it makes a definite contribution to the advancement of tobacco wholesaling."

Other details of the convention program are also being rapidly developed. At the 1939 and 1940 conventions, the N. A. T. D. adopted the policy of conducting a series of round table conferences and assigning a different subject to each group. At the last convention, there were no less than 16 such conferences, in which many hundreds of wholesalers and manufacturers participated. Due to the crowded agenda of the 1941 convention, the round table conferences will be limited to 9 in number, but there will be a larger number of conferees at each. While several of the topics selected for the conferences are of interest principally to the distributors, other subjects pertain to matters in which both manufacturers and distributors have a common interest, and a large number of prominent manufacturers are being invited to participate.

The main convention program will deal with the more general subjects of widespread interest and importance, such as the wage and hour laws, taxation, price maintenance legislation and the part to be played by the tobacco industry in national defense.

Mrs. Myron Benzion, president, and Mrs. Fred Elsner, secretary, of the N. A. T. D. Club for Women, recently conferred with Secretary Kolodny in New York concerning the details of a comprehensive program of entertainment for the club members during the period of the convention.

Charles Dearstyne, president of the Young Executives' Division of the N. A. T. D. has also announced that plans are shaping up well for the participation of the younger men of the industry in the convention program.

CUBAN EXPORTS INCREASE

The loss of European markets for Cuban cigars, during the first nine months of 1940, was partly offset by an increase in the exports of Cuban leaf tobacco, according to data from the American Consulate at Habana. The value of Cuban leaf exports during the period increased in relative importance from 78 per cent. to 91 per cent. of the total value of tobacco exports; meanwhile, the value of cigar exports declined from 22 per cent. to 8 per cent. of the whole.

Total tobacco exports for the 1940 period were valued at 9.6 million dollars compared with 10.7 million in the 1939 period. The Cuban tobacco trade has been saved from a more drastic decline by the fact that the United States during the past two years has imported Cuban tobacco in greater quantities and at higher values.

For many years the United States has been the most important market for Cuban tobacco. Exports of Cuban leaf to this country from January to September 1940 were maintained at a little above last year's level, amounting to over 11.6 million pounds, or 53 per cent. of the total leaf exports. Exports of cigars to the United States for the same period were increased by 17.5 per cent.

There was also some improvement during the period in exports to Spain and several South American countries. Exports to Spain are not available in quantity, but the value amounted to approximately 1.5 million dollars, or double that of the 1939 period.

INFORMATION PLEASE AWARDS

"Information Please" has increased the size of its awards for questions sent in by listeners in the new series under sponsorship of the American Tobacco Company. Questions used on the program will bring $10 instead of $5 as heretofore, plus a copy of the 1941 edition of "Information Please," a collection of typical questions and answers used on the program. Questions that stump the experts will be worth an additional $25, instead of $10, plus the usual complete set of the Encyclopedia Britannica. Format of the program is unchanged in its new spot on the NBC Red Network, Fridays from 8.30 to 9 P. M., EST. Program is heard over an eighty-six station network in the interest of Lucky Strike Cigarettes. Lord and Thomas is the agency.

Yields Higher Than Anticipated

THE production of all types of tobacco combined is now estimated at 1,319,946,000 pounds, compared with 1,268,912,000 pounds a month ago, or an increase of about 4 per cent. In 1939 a total of 1,848,654,000 pounds of tobacco were produced in the United States. As tobacco has moved to market in the "flue-cured" States and as stripping has progressed in some of the other areas, it becomes increasingly evident that yields per acre for most types are higher than had generally been anticipated. On November 1 indicated yields were higher for all classes of tobacco except cigar wrapers than they were a month earlier. The "air-cured" types have benefited by favorable curing weather in most areas producing this class of tobacco. On November 1 an all tobacco yield of 918 pounds per acre was in prospect. This would be a yield about 35 pounds per acre higher than that indicated on October 1 and would equal the record high yield per acre established in the 1939 season. The ten-year (1929-38) average yield for all types of tobacco combined is 816 pounds per acre.

The prospects now are for a flue-cured crop of 699,085,000 pounds, compared with the estimate last month of 661,855,000 pounds. A crop of this size, however, would be only about 60 per cent. as large as last year's record size crop of 1,159,320,000 pounds. In Georgia and Florida, a flue-cured crop was harvested this season that weighed much more per acre than had generally been anticipated. As sales closed in South Carolina and as volume of sales increased in North Carolina and Virginia, it became apparent that tobacco in those sections was likewise weighing heavier than most people had previously thought. The November 1 prospective yield of 928 pounds per acre is about 6 per cent. higher than that indicated a month earlier, and if it turns out to be correct, it will be the same as the record high yield secured in 1935.

The estimated production of 98,469,000 pounds of fire-cured types of tobacco on November 1 is up about 3 per cent. from the October forecast and is about the same percentage larger than the 1939 production. The prospective yield of 847 pounds per acre is somewhat lower than last year's yield of 856 pounds per acre but is about 7 per cent. greater than the ten-year average yield.

The November 1 estimate of 321,230,000 pounds of Burley tobacco represents an increase of about 3 per cent. over the forecast of the previous month. It appears that the drought which prevailed over much of the Burley producing area, especially in Kentucky where the bulk of the crop is ordinarily produced, was not nearly so detrimental to the crop as seemed to be the case at the time. Late rains and an open fall prolonged growth, and added both size and weight to leaves. The crop has also been favored by excellent curing weather in most sections of the belt. The prospects now are for a Burley yield of about 844 pounds per acre, compared with the October 1 yield of 819 pounds, last year's yield of 913 pounds, and the ten-year average yield of 798 pounds per acre.

No significant changes were reported this month in the probable yield per acre of tobacco in Maryland. Therefore, the November 1 estimated production of 30,240,000 pounds of southern Maryland tobacco is unchanged from the forecast made for this type on October 1. The indicated yield of 800 pounds per acre is less than 3 per cent. greater than last year's yield but is about 12 per cent. larger than the ten-year average yield.

It seems likely that the yield of one-sucker tobacco will be somewhat higher in Kentucky and considerably higher in Tennessee than it apeared it would be earlier in the season, and as a consequence the estimate of all dark air-cured tobacco is now 42,195,000 pounds rather than the 41,563,000 pounds forecast on October 1. The yield of 863 pounds is about 4 per cent. lower than the 1939 yield but is nearly 6 per cent. higher than the ten-year average yield for dark air-cured tobacco.

Increases in probable production of cigar filler and binder classes of tobacco were offset to some extent by a decrease in the estimated production of wrappers. Conditions have been rather good this season in most of the cigar areas except that the crop in New England suffered some damage from hail and from periods of heavy rain and dry weather which were unfavorable to growth. The estimated production of all cigar tobacco on November 1 was 128,727,000 pounds compared with 127,460,000 pounds last month. In 1939 total cigar production was 125,849,000 pounds as compared with the ten-year average crop of 124,004,000 pounds.

"PIPE-SMOKING TIME"

"Pipe-Smoking Time," sponsored by the U. S. Tobacco Company for Dill's Best and Model smoking tobacco, presents a variety show with a new cast on the Columbia Network. The series continues to be broadcast Mondays at 8.30-8.55 P. M., rebroadcast at 11.30-11.55 P. M. over fifty-five CBS stations.

It is a half-hour of homey songs and music, fun and banter and an intimate, informal humor which distinguishes it from the so-called "smart" Broadway type of presentation. Frank McMahon, producer, has chosen an all-star cast for this new program of homespun entertainment.

Arthur Fields and Fred Hall contribute their own songs, homely sentiment and gentle humor; Edward Roecker, robust baritone, sings the old-time songs and a few of the later ones, and Woody Guthrie, the Okie Cowboy, strums his git-tar while singing his own Dust Bowl ballads filled with the down-to-earth sentiment and tragedy which John Steinbeck put into "Grapes of Wrath."

DESTRUCTIVE FROST

A second frost in the Ontario Province of Canada, which occurred on September 26th, destroyed practically all unharvested flue-cured tobacco, or between 3 and 4 million pounds, according to a telegram from the American Legation at Ottawa. A frost on August 23d destroyed a large part of the crop, and and an official estimate at the time indicated that the crop for all Canada, on an acreage about 30 per cent. below 1939, would be aproximately 37.2 million pounds (see Foreign Crops and Markets of September 9th) as compared with a revised estimate of the record 1939 crop of 79.7 million pounds. The official estimate of 1940 production was subsequently revised to 28 million pounds, which roughly agrees with early private estimates indicating a production between 25 and 30 million pounds. The recent damage will reduce the latest official estimate to about 24.5 million pounds, and the private estimates to between 21 and 27 million pounds.

QUOTA REGULATIONS FOR BURLEY APPROVED

MARKETING quota regulations for the 1940-41 Burley tobacco marketing year have been approved by the Secretary of Agriculture, the Agricultural Adjustment Administration recently announced. Recent amendments to the Agricultural Adjustment Act of 1938 simplifying and strengthening the tobacco marketing quota provisions are brought into effect on Burley tobacco for the first time through these regulations. Marketing quotas for the 1940 crop, on which the regulations are applicable, were voted by Burley growers a year ago. The Burley tobacco marketing season will begin early in December.

The regulations which are the same as those now in effect for flue-cured tobacco, were developed on the basis of recommendations of farmer, warehouse and dealer representatives, A. A. A. officials pointed out.

The quota regulations provide that operators of farms on which Burley tobacco is harvested will receive marketing cards from county A. A. A. offices. A "Within Quota Card" will be issued to farm operators whose acreage of Burley harvested does not exceed the acreage allotment. In such cases, all the tobacco grown on the harvested acreage can be marketed without penalty.

Operators who harvest Burley tobacco in excess of the acreage allotments will receive "Excess Marketing Cards." These cards will show the allotted acreage and the harvested acreage and the proportion of the tobacco on which a penalty is to be collected. The penalty will be collected beginning with the first sale of tobacco from the farm; for example, if a farm with a two-acre allotment produces six acres of tobacco, 20 per cent. of each lot of tobacco marketed would be subject to penalty.

In selling tobacco the grower will present his marketing card, and field assistants of the Agricultural Adjustment Administration, located at the warehouses, will issue a memorandum of sale from the marketing card. The field assistants will forward one copy of each memorandum of sale to the county agricultural conservation association for filing with other records of the farm, and one copy to the warehouse.

The sale of tobacco on the marketing card for a farm other than the one on which the tobacco was grown will be a violation of the regulations and the acreage allotments for both farms involved will be reduced in the following year. In addition, the operator of the farm whose card is used to sell such tobacco is liable for any penalty due on the sale.

The penalty on excess marketings is 10 cents per pound and is paid by the buyer, warehouseman, or other agent, but may be deducted from the price paid the producer. Records and reports by warehousemen and dealers will show complete information as to sales, purchases and resales.

P. LORILLARD COMPANY, Inc.
119 West 40th Street · New York City
is offering an unusually attractive line of Christmas Wrapped Packages this year... packages that will help you sell *Merchandise*

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

CIGAR BOXES
Tel. Algonquin 4-9532 Established 1875
NIC. ALTHAUS CO
HIGH GRADE CIGAR BOXES
637-641 EAST 17 ST, NEW YORK

The sure test of a GOOD GIFT is that it must please . . . . . and there is no other gift that pleases a man more than a box of Manila cigars . . . . . that's why fastidious men and women who wish to please their loved ones prefer Manila cigars that come in various and exquisite holiday wrappings. You, Mr. Dealer, be ready for the holiday rush by buying your supply of Manilas now.
For particulars about Manilas write to
THE PHILIPPINE TOBACCO AGENCY
2362 Massachusetts Avenue, N. W., Washington, D. C.

United Kingdom Stocks Above Average

STOCKS of unmanufactured tobacco held in the United Kingdom on July 1, 1940, were estimated to be about 108 million pounds below the record July 1 supply of 1939, but were approximately equal to the average for this date during the five years 1934-1938, according to information reaching the Office of Foreign Agricultural Relations. Withdrawals from stock for manufacture during the year July-June 1940-41 are expected to be about 10 per cent. below those of the previous year, and even if imports during 1940-41 are only enough to replace any leaf that may be destroyed by hostilities, stocks on July 1, 1941, would still be sufficient to last into 1942.

The record stocks on July 1, 1939, totaled 543 million pounds as compared with 498 million on the previous July 1 and the five-year average of 434 million pounds. Imports during 1939-40, however, are sharply curtailed by the war, and are estimated to have totaled only about 155 million pounds, making a total available supply for the year of 698 million pounds, composed of approximately 485 million of United States leaf and strips, and 213 million pounds, mostly British Empire. Quantities withdrawn for manufacture during the 12 months, July-June 1939-40, totaled 263 million pounds, a decrease of only three million pounds from the previous year, and was made up of about 78 per cent. of United States tobacco and 22 per cent. from other sources, mostly British Empire. The total supply left in stock on July 1, 1940, is estimated to have been about 435 million pounds, and was composed of 281 million of United States leaf and strips and 154 million pounds from other sources.

For 1940-41, quantities withdrawn by manufacturers are expected to drop to about 237 million pounds as a result of a voluntary agreement by manufacturers to reduce their withdrawals by 10 per cent. Since stocks of United States tobacco are low in relation to previous utilization, and stocks of Empire relatively high, it is expected that the volume of withdrawals of United States tobacco will be reduced by more than 10 per cent. and that withdrawals of Empire will probably exceed those of 1939-40. It is also probable that increased quantities of oriental leaf will be used in 1940-41. This will, however, depend upon shipping conditions in the Mediterranean, which are uncertain. The shift from United States tobacco to Empire and Oriental is facilitated by regulations agreed to by British manufacturers, and prohibiting the use of the term "pure Virginia" in advertising. This label in the past has been used on most of the cigarettes sold to designate that they contain only United States tobacco.

It is believed that the 237-million pound forecast of withdrawals for 1940-41 may include about 73 per cent. of United States tobacco and 27 per cent. of other sorts. This, in comparison with 1939-40, would represent a five-point shift from United States to that from other sources.

The above-mentioned consumption, and imports in 1940-41 amounting to only the volume of tobacco destroyed by hostilities, would leave a total carry-over on July 1, 1941, equivalent to about ten months' supply at the present rate of consumption. With some further shift from United States tobacco, its supply would last for about eight months beyond July 1941, and that from other sources about sixteen months. There is no evidence as to the amount of tobacco, if any, that has been destroyed by hostilities nor indication as to possible future destruction.

On the other hand, in spite of the war, imports in terms of value for the twelve months ended with September 1940 were approximately 52 per cent. of those for the preceding twelve months when over 300 million pounds of leaf and strips were imported. This would indicate that United Kingdom imports during the past twelve months of the war totaled about 150 million pounds. The United States export data show that about half of this total was tobacco of American origin, whereas in normal years about three-fourths of the United Kingdom imports are from the United States.

The 10 per cent. decline in manufacturers' withdrawals during 1940-41 will not necessitate a similar reduction in the consumption in the United Kingdom. In previous years, part of the withdrawals, and particularly those of United States leaf, have been used in products that were exported. This export trade has been curtailed by the war, and the share of withdrawals going into the manufacture of products for domestic consumption will be proportionately increased.

WHOLESALERS AND CONSUMERS

METHODS of cooperation between wholesale distributors of consumer goods and the consumer protection division of the National Defense Advisory Commission were discussed at a conference of wholesaling trade representatives, called by Miss Harriet Elliot, consumer member of the National Defense Advisory Commission. Merchant and distributor leaders of about 100 wholesaling groups participated. Utilization of distribution channels, warehousing and storage facilities in the provision of both military and civilian requirements and wholesale price policies in consumer goods in relation to the defense program were the principal topics.

Miss Elliot told the conference that the responsibility of wholesalers in national defense was "to watch cost and profit margins to avoid unwarranted increases and a skyrocketing rise in prices."

"Goods must be kept moving into civilian as well as military channels for ultimate consumption. That means keeping costs and margins at as low a level as is consistent with the services rendered.

"As operators in the field of wholesaling, I know that you are interested in speeding the flow of goods through your offices and warehouses. I am sure that you have as deep an interest as I in doing that job as efficiently as possible."

Dr. Theodore N. Beckman, Professor of Business Organization at Ohio State University and well-known authority on wholesaling, addressed the morning session on "Implications of National Defense in the Field of Wholesaling."

He said one of the most profound effects of the defense program is bound to be a shift from a buyers' market to a sellers' market. "National defense will increase the demand for armaments and armament producing equipment," he said, "as the ranks of the unem-

Cigars are the most pleasurable and economical form of smoking.

BAYUK BULLETIN

Devoted to the best interests of the men who sell cigars.

First Issued 1929 DECEMBER, 1940 *Prepared twice a month*

WANT TO INCREASE YOUR CIGAR SALES 10% TO 30%?

Then let the public know that you make a specialty of *fresh* cigars — popular brands in fine, fresh condition. It's such a sure way to increase sales that the editors of the Bayuk Bulletin are again this year offering some timely suggestions.

For example, have several cards lettered, like the one shown below, and put one in your window, others in various prominent places inside your store. As a starter, cut out the card below and paste it in your window right away.

This plan is sure-fire. It has worked for thousands of cigar dealers—increased their cigar sales 10%, 20%, as much as 30%.

And be sure you keep your stock of cigars really fresh. Specialize on *fast-selling*, popular brands. It's one of the best of all ways to insure fresh cigars. Don't overload. Buy cigars in quantities that permit a steady turn-over.

See that the air in your show cases and wall cases stays moist. Watch your humidifiers—or if you don't feel you can afford humidifiers, use sponges and keep them properly moistened.

Every man wants to get his favorite cigars *fresh*. Provide *fresh* cigars for your customers—see that they *know* it—and watch your sales increase.

We sell

FRESH CIGARS

only

WE SPECIALIZE IN POPULAR BRANDS, KEPT IN FRESH, FINE CONDITION

FREE: ... write to Bayuk Cigars Inc., Philadelphia, and we will gladly send you a card, printed as above, ready to put up in your store.

NOW...FOUR EXTRA COUPONS

in every carton of Raleigh plain ends... Save these valuable coupons for extra profits... cash or wide choice of handsome premiums.

TUNE IN—
"Paul Sullivan Reviews the News"—CBS coast-to-coast network—every night except Saturday and Sunday

Brown & Williamson Tobacco Corporation

ATTRACTIVELY WRAPPED *for the* HOLIDAYS

El Producto is the Nation's favorite—hard work's best friend—It smooths out the daily snags—No wonder it is the gift favorite for 1940!

Beautiful Holiday packings—prices to suit every pocketbook. Display El Producto for bigger and better Holiday sales.

ployed are depleted and wages rise, the effective demand for consumer goods will be stimulated and prices will again tend to rise."

"There is the strong possibility of speculative excesses, of advance buying on a larger scale than warranted, of overloading of customers, of wholesale prices skyrocketing, and of serious dislocations in the wholesaling structure. Some of these dangers can be avoided and others minimized by a proper and effective cooperation between the wholesaling industry on the one hand and the government on the other."

"One of them is to make adequate supply of goods available, and the other is to contribute to price sanity."

"I believe that the wholesaling industry can contribute substantially to an orderly and justifiable price movement."

Dr. Beckman urged the wholesaling industry to "avoid speculation, to discourage 'buy now and buy more' selling methods and price increases unrelated to costs, as a major service in national defense." Open discussion from the floor followed Dr. Beckman's speech.

The National Association of Tobacco Distributors was represented at this important conference by Allan C. Davis, chairman of the board; Joseph Kolodny, executive secretary; H. E. Allmang, N. A. T. D. coordinator, and Henry Gunst, director.

On behalf of the entire delegation, and the wholesale tobacco trade, the secretary publicly expressed the eagerness of the trade to render the Government every measure of cooperation in its efforts toward furthering national defense measures.

TEXAS ASSOCIATION FUNCTIONING

The recently formed Texas Association of Tobacco Distributors, which is affiliated with the National Association of Tobacco Distributors, is now actively functioning and is rapidly building up a substantial membership.

The organization meeting was held at the Hotel Adolphus, Dallas, Texas, and was attended by prominent distributors from Dallas, Ft. Worth, Houston, Austin and many other towns and cities in the State.

Joseph Kolodny, executive secretary of the N. A. T. D., delivered the principal address at the organization meeting, describing what has been accomplished through association activities to improve the standards of wholesaling in the tobacco industry. He detailed the progress made in obtaining legislation to curb disruptive practices, and expressed his conviction that with proper organization of State and regional groups to supplement the work of the national association, distribution of tobacco products can be put on a much sounder basis.

Following Mr. Kolodny's talk, it was voted unanimously to organize and incorporate the Texas association and the following officers and directors were elected: President: Ben J. Kelly, Ben J. Kelly Cigar Co., Houston; vice-president: W. A. McCarty, Wichita Cigar & Tobacco Co., Wichita Falls; secretary-treasurer: L. C. Dorfer, C & H Cigar Company, Ft. Worth; directors: J. D. Herman, Herman's Supply House, Ft. Worth; Louis Weksler, Ponca Whole. Merc. Co., Amarillo; Ed. Furlow, Electro-Ball Co., Dallas; B. B. Simms, Simms Tobacco & Candy Co., Denison, and C. H. Caple, C. H. Caple Co., Longview.

HEAP FINE RADIO SHOW

MONDAY NIGHTS. COLUMBIA BROADCASTING SYSTEM

Betcha like it!

SEE LOCAL NEWSPAPER FOR TIME AND STATION

HEAR ED ROECKER, "The Model Tobacco Singing Salesman," with his young, magnificent, baritone voice. Hear him sing the songs you like best, as you seldom ever hear them sung.

HEAR FIELDS AND HALL, whose phonograph records are in millions of American homes.

Hear them play, sing and recite their own compositions, with homespun humor and philosophy

HEAR WOODY GUTHRIE, the Okie Cowboy ("I ain't no drugstore cowboy") from Okemah, Okla. Hear him sing his own, original Dust Bowl Ballads, while a-picking at his ol' ge-tar. "The dustiest of the Dusty"

HEAR THE MODEL TOBACCO ORCHESTRA in its special arrangements that have won the applause of millions of "Pipe Smoking Time" fans from coast to coast the past two years.

SMOKING UP; CHEWING DOWN

MORE Americans lit up their pipes for a smoke last year than in 1937, but fewer of them bit off a quid of chewing tobacco, it would appear from a report on the tobacco industry newly compiled from returns of the 1939 Census of Manufactures. Last year's production of smoking tobacco totaled 192,227,048 pounds, compared with 177,573,205 pounds in 1937. Value at the factory of smoking tobacco output increased from $117,641,220 to $128,-638,173.

The various types of chewing tobacco declined from 1937. Plug was off from 57,635,578 pounds to 51,033,554, with a drop in value from $31,726,954 to $27,659,976. Scrap totaled 41,437,239 pounds last year, against 44,940,316 in 1937. Its value tapered from $21,414,443 to $20,043,308. Fine-cut chewing and smoking tobacco production last year amounted to 13,654,-402 pounds, compared with 16,003,763 in 1937, value showing a proportionately smaller loss, from $9,813,-865 to $9,290,286.

Quantity of snuff produced gained slightly over 1937, last year's total being 37,947,450 pounds, against 37,141,208 in the previous biennial Census count. Value declined, however, from $29,204,135 to $28,176,124.

Average factory prices per pound as indicated by these figures remained fairly stable, the only significant changes being a rise from about 61 to 68 cents for fine-cut, a drop from 67 to 62 cents for twist, and from 79 to 74 cents for snuff.

The total value of chewing and smoking tobacco and snuff made last year was $217,898,139, compared with $214,336,241. Establishments engaged primarily in the manufacture of these items accounted for $121,-705,419 of last year's total, against $132,941,703 in 1937. The manufacturers of cigarettes and cigars produced $96,192,720 worth of chewing and smoking tobacco in 1939, compared with $81,394,538.

There were 132 establishments engaged primarily in the manufacture of tobacco and snuff last year, against 125 in 1937. The total value of their products fell from $134,524,233 to $123,687,198. For materials, revenue stamps, supplies, fuel, purchased electric energy, and contract work they spent $81,719,385 in 1939, compared with $88,765,558 in 1937. They gave employment to 9204 wage earners, who received a total of $8,192,529. Payroll for 974 salaried employees was $2,550,891.

SPRUCE LUMBER
for CIGAR BOXES

It's Brighter - for the Eye
It's Lighter - for Shipping
It's Better - for the Cigars

SPECIFY SPRUCE

Uptegrove Lumber Co.
Cigar Box Lumber for 67 years
15 Washington St. Newark, N. J.

Established 1886
"BEST OF THE BEST"

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
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AUTOKRAFT
CIGAR BOXES

Boite Nature
Cedar Chests
Novelty
Wrapped

Are Outstanding In
Quality-Design-Cost

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Lima, Ohio
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Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services
Effective April 1, 1916

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

NEW REGISTRATION

TUFUMA:—46,795. For cigars. Registered by F. S. Baer Co., Los Angeles, Cal., on November 19, 1940.

TRANSFERRED REGISTRATIONS

WIDENER ARCADE:—46,791 (Tobacco Merchants Association of the U. S.). For cigars. Registered May 22, 1940, by Progress Cigar Co., Philadelphia, Pa. Transferred to Yahn & McDonnell, Philadelphia Pa., on October 21, 1940.

SOLAZAR:—45,041 (Tobacco Merchants Association of the U. S.). For cigars. Registered August 15, 1927, by Thomas L. Lane, New York, N. Y. Through mesne transfers acquired by Herman Goldstein, Passaic, N. J., and re-transferred to A. Gutierrez, Inc., Passaic, N. J., on October 21, 1940.

Internal Revenue Collections for October

Source of Revenue	1940	1939
Cigars	$ 1,483,628.24	$ 1,405,485.04
Cigarettes	53,475,726.34	46,155,363.98
Snuff	642,150.25	586,990.19
Tobacco, chewing and smoking	5,607,937.35	4,856,092.12
Cigarette papers and tubes	175,441.82	83,213.97
Leaf dealer penalties	42.12	111.28

***Manufactured Tobacco Produced by Classes**

(As reported by the Bureau of Internal Revenue based on manufacturers' returns of production)

Month of August

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	4,224,716	— 928,155	18.01
Twist	496,657	— 62,886	11.24
Fine-cut Chewing	456,416	+ 48,595	11.92
Scrap Chewing	3,806,751	— 539.011	12.40
Smoking	16,948,679	— 2,408,217	12.44
Total	25,933,219	— 3,889,674	13.04

Eight Months Ending August 31

Product	1940	Increase or Decrease Quantity	Per Cent.
Plug	32,795,218	— 2,239,179	6.39
Twist	3,696,552	— 72,486	1.92
Fine-cut Chewing	3,093,954	— 9,119	0.29
Scrap Chewing	28,376,290	+ 791,126	2.87
Smoking	132,532,075	— 669,610	0.50
Total	200,494,089	— 2,199,268	1.09

*The production figures are in pounds, and are subject to revision until published in the annual report of the Commissioner of Internal Revenue.

BAYUK EMPLOYEES GET $518,342.62

The largest number of Bayuk employees ever to share in the annual disbursement of the "Sunshine Club"—3560 of them—had their holidays made brighter by participating in the distribution of $518,342.62, on November 25.

This amount, which includes the annual donation to the fund of Bayuk Cigars, Inc., was more than $45,000 larger than in 1939.

The "Sunshine Club" is a benevolent and social organization composed of Bayuk employees.

TOBACCO TRADE ORGANIZATIONS

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Headquarters, 341 Madison Ave., New York City

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REGULATIONS IN SPAIN

The Spanish Government on August 9, 1940, announced that the maximum area that could be planted to tobacco in 1940 would be 33,157 acres, which is more than three times the average of 10,392 acres planted during the five years ended with the outbreak of the country's civil war in 1936. The 1941 authorized area comprises 26,455 acres to be allotted to dark Kentucky types, 5512 acres to burley, 1102 acres to cigar leaf, and 88 acres to flue-cured to be grown as an experiment, according to reports reaching the Office of Foreign Agricultural Relations. Growers who have produced tobacco during previous seasons are required to obtain their permits for 1941 prior to October 31, 1940.

● *Actual photograph—a fine lot of ripe, golden tobacco leaf.*

Luckies' finer tobaccos mean less nicotine!

FINER TOBACCOS—for you who smoke, those two words have a world of meaning.

First, they tell you why most independent tobacco experts smoke Luckies.

Second, finer tobaccos are the big reason why Luckies have a lower nicotine content.

Yes . . . authoritative tests reveal that for more than two years, the nicotine content of Luckies has been 12% less than the average of the four other leading brands . . . less than any one of them.★

You see, Luckies analyze tobacco before purchase. Thus our buyers can select the leaf that is not only rich and mellow, but milder—naturally low in nicotine.

The more you smoke, the more you want a cigarette of genuine mildness. So try Luckies for a week. Remember—with independent tobacco experts—buyers, auctioneers and warehousemen—with men who know tobacco best, it's Luckies 2 to 1.

★ **NICOTINE CONTENT OF LEADING BRANDS**

From January 1938 through June 1940, Lucky Strike has averaged
9.46% less nicotine than Brand A — **15.55%** less nicotine than Brand C
20.55% less nicotine than Brand B — **4.74%** less nicotine than Brand D
Lucky Strike's nicotine content averaged 2.01 parts per hundred.

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Luckies—the smoke tobacco experts smoke

CAMELS

● For those who prefer cigarettes, give Camels and you can be sure your gift will be appreciated. For more smokers prefer slower-burning Camels than any other cigarette. They are the cigarette of costlier tobaccos that gives more pleasure in every puff. Your dealer is featuring Camels for Christmas in the two handsome packages shown above. Easy to get—perfect to receive. Yes, there's nothing like Camels to say: "Happy holidays and happy smoking."

PRINCE ALBERT

● No problem about those pipe-smokers on your gift list! You just can't miss when you give them a big, long-lasting one-pound tin of the world's most popular smoking tobacco—Prince Albert! (Or a one-pound real glass humidor.) Pipe-smokers call Prince Albert the National Joy Smoke. They say: "There's no other tobacco like it!" Your local dealer has Prince Albert's Christmas-wrapped "specials" on display now! Get your Prince Albert gifts *today!*

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GIFTS THAT ARE SURE TO PLEASE IN BEAUTIFUL CHRISTMAS WRAPPERS

End of Volume